

FRANCHISE DISCLOSURE DOCUMENT

Your Choice Senior Care Franchising, LLC

An Alabama Limited Liability Company

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www.YourChoiceSeniorCare.com



We offer you a franchise to own and operate one “Your Choice Senior Care” franchise, offering hands-on personal non-medical care, in-home assistance, and companionship care services to seniors and other adults.

The total investment necessary to begin operation of one (1) franchise location is from \$87,800 to \$150,500. This includes \$49,000 that must be paid to us (see Item 7).

This Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read the Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least fourteen (14) calendar days before you sign a binding agreement with, or make any payments 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 availability of disclosures in different formats, contact our Vice President, George Heinemann, 500 Southland Drive, Suite 224, Birmingham, AL 35226, (833) 227-3324.

The terms of your contract will govern your franchise relationship. Do not rely on the Disclosure Document alone to understand your contract. Read your entire 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 (“FTC”). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, N.W., Washington, D.C. 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.

THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT IS:

May 16, 2025

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:

QUESTIONS	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 Exhibits B and C.
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 A 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 Your Choice Senior Care Franchising, LLC business in my area?	Item 12 and the "territory" provisions in the franchise 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 a Your Choice Senior Care Franchising, LLC franchisee?	Item 20 or Exhibit B 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 F.

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 Addenda. See the Table of Contents for the location of the State Specific Addenda.

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 requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Alabama. Out-of-state mediation, 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 Alabama than in your own state.

Certain states may require other risks to be highlighted. Check the “State Specific Addenda” (if any) to see whether your state requires other risks to be highlighted.

YOUR CHOICE SENIOR CARE FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT

TABLE OF CONTENTS

Item	Heading	Page
1.	The Franchisor, and Any Parents, Predecessors and Affiliates	1
2.	Business Experience	3
3.	Litigation.....	3
4.	Bankruptcy.....	4
5.	Initial Fees.....	4
6.	Other Fees	4
7.	Estimated Initial Investment	8
8.	Restrictions on Sources of Products and Services	10
9.	Franchisee's Obligations.....	13
10.	Financing	14
11.	Franchisor's Assistance, Advertising, Computer Systems and Training	15
12.	Territory	19
13.	Trademarks	21
14.	Patents, Copyrights and Proprietary Information	22
15.	Obligations to Participate in the Actual Operation of the Franchised Business	23
16.	Restrictions on What the Franchisee May Sell	24
17.	Renewal, Termination, Transfer and Dispute Resolution.....	24
18.	Public Figures	28
19.	Financial Performance Representations.....	29
20.	Outlets and Franchisee Information.....	30
21.	Financial Statements	33
22.	Contracts	33
23.	Receipts.....	34

YOUR CHOICE SENIOR CARE FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT

TABLE OF CONTENTS

(Continued)

EXHIBITS

Exhibit A	Financial Statements
Exhibit B	List of Franchisees
Exhibit C	List of Franchisees Who Have Left the System
Exhibit D	Form of Confidential Operating Manual Table of Contents
Exhibit E	Form of Key-Employee Manager Confidentiality Agreement
Exhibit F	List of State Agencies/Agents for Service of Process
Exhibit G	Form of Franchise Agreement
Exhibit H	Form of Conditional Assignment of Telephone Numbers and Listings
Exhibit I	Form of Conditional Assignment and Assumption of Lease
Exhibit J	Form of Principal Owner's Guaranty
Exhibit K	Form of Principal Owner's Statement
Exhibit L	Form of Confidentiality, Non-Solicitation and Non-Competition Agreement for Franchise Agreement
Exhibit M	Franchisee Questionnaire
Exhibit N	State Specific and other Addenda and Riders
Exhibit O	Form of Release
Exhibit P	Receipts

YOUR CHOICE SENIOR CARE FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT

ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language, this disclosure document uses “we,” “us,” “our” or Your Choice Senior Care to mean Your Choice Senior Care Franchising, LLC, the Franchisor, and “you”, “your” or “Franchisee” means the individual, corporation or other entity that buys the franchise, whether you are an individual or a corporation, partnership, limited liability company or other legal entity.

The Franchisor, Any Parents, Predecessors and Affiliates

We conduct business under the name “Your Choice Senior Care”. Our principal business address is 500 Southland Drive, Suite 224, Birmingham, AL 35226. We are an Alabama Limited Liability Company which was formed June 12, 2019 to initiate our franchising program. We have not conducted a business of a type described in this Disclosure Document or conducted business in any other line of business but, our affiliate, Seniors First Choice Management LLC, previously entered into a license to operate a business using the Your Choice Senior Care name in Birmingham, Alabama.

Our affiliate businesses will not participate in the franchising operations nor will it provide any management or operational services or financial guarantees for our franchisees, except that use may be made of the affiliated location facilities and personnel for training purposes. Our affiliate Seniors First Choice Management, LLC is the approved supplier for certain proprietary items. Neither we nor any affiliate has previously offered franchises of any type.

Agents for Service of Process

Our Agents for Service of Process are set forth in Exhibit “F” of the disclosure document.

The Franchises Being Offered

The “Your Choice Senior Care” franchise specializes in an array of services, including, but not limited to, providing hands-on personal non-medical care, in-home care, assistance and companionship care services to seniors, and other adults.

The Franchise System and Proprietary Marks

Our franchises are characterized by, among other things, distinct formats, and specifications for uniform standards, specifications and procedures for operations, training and assistance (the “System”). The System is identified by means of certain trade names, trademarks, service marks, logos, emblems and other indicia of origin, including the Mark “Your Choice Senior Care”.

Market and Competition

The market for in-home personal care services is continuing to evolve. The aging of our population has increased demand for a variety of non-medical – hands-on personal care, for in-home assistance and companionship. You will compete with other senior care service businesses, both franchised and non-franchised, as well as independent care service providers. Some companies

concentrate on a specific niche of care while others cover a broader area. We will help you locate and understand the competition in your territory.

Industry Regulations

There are Federal, State and Local laws and regulations that may impact your Franchised Business. We may identify existing requirements or provide updates on laws or regulations for informational purposes only. However, our services are not legal advice and are not a substitute for consulting with your own legal advisor. In operating your Franchised Business, you maintain full responsibility for compliance with all applicable laws.

The Federal Fair Labor Standards Act (FLSA) establishes rules which may affect your payment of employees. The FLSA provides federal minimum wage and overtime obligations for employees providing “companionship services” to the aged or infirm [29 U.S.C. Sec. 213 (a)(15)]. This exemption is known as the “companionship exemption.” However, the “companionship exemption” does not currently apply to the services of caregivers employed by third-party agencies, such as those employed by our Franchised Businesses. Under the current rules, your Franchised Businesses may have obligations related to overtime, travel time, and time spent by caregivers engaged to wait between work shifts. You are encouraged to work with your attorney to determine how to calculate and manage overtime, travel time, and wait time within your Franchised Business.

Your Franchised Business may be located in an area that has created its own specific minimum wage, overtime, or other compensation rules. If the state or local rules where you operate your Franchised Business are different from the minimum wage and overtime rules under the FLSA, then the state or local rules may control and override federal law. You and your attorney must determine whether your employees will be subject to overtime and the minimum compensation requirements required by your state and local laws.

The Federal Occupational Safety and Health Administration (“OSHA”) rules may also impact your Franchised Business. OSHA generally requires employers under its jurisdiction to record and report work-related fatalities, inpatient hospitalizations and specified incidents. OSHA rules provide exemptions for employers based upon the industry or business size. Under current rules, the home care services industry is not exempt. While your business size may vary, your Franchised Business will generally be considered as within the home care services industry. If your Franchised Business is not exempt based upon the size of your business, you may have obligations related to recording and reporting work-related fatalities, inpatient hospitalizations and specified incidents.

If your Franchised Business is located in a state that utilizes an OSHA-approved state plan (“State Plan”), then you will not be directly subject to Federal OSHA jurisdiction. However, State Plan standards must meet or exceed Federal OSHA rules. That means that if your Franchised Business is subject to a State Plan, you may have additional obligations related to recording and reporting.

Specific laws and regulations in your state or local area may also require licensure, certification, or training of individuals providing home care services, caregivers or other employees. There may also be other laws and regulations specific to in-home care, personal assistance services, and companion care services in your state. You may therefore be required to register as a home health agency, nurse staffing and or employment agency and comply with screening requirements of healthcare workers. Licensure requirements may also apply to your Franchised Business. It is your responsibility to understand any licensure, certification, and training requirements in your area and to ensure your Franchised Business adheres to those requirements.

To maintain a state license, you may be required to meet specific criteria for: training, policies, types of employees and/or compliance audits. These state specific obligations may exceed our requirements. If this is the case in your state, you are required to comply with both your state requirements and our requirements.

ITEM 2

BUSINESS EXPERIENCE

Joseph K. Soles: President & Chief Executive Officer

Joe Soles has been our President and Chief Executive Officer since the formation of our company. He is also the Chief Executive Officer of SHM Triad, LLC located in Birmingham, Alabama (September 2021 to present) and has also been the President of our affiliate, Seniors First Choice Management, LLC, located in Fairhope, Alabama, since 2010. Joe is a certified Nursing Assistant.

Wendy Soles: Vice President & Chief Operating Officer

Wendy Soles has been our Vice President and Chief Operating Officer since the formation of our company. She has also been the Operations Manager of our affiliate, Seniors First Choice Management, LLC, located in Fairhope, Alabama, since 2010.

George C. Heinemann: Executive Vice President & Chief Financial Officer

George Heinemann has been our Vice President and Chief Financial Officer since our formation. He is also the Chief Financial Officer of SHM Triad, LLC located in Birmingham, Alabama (September 2021 to present) and the President of Heart to Home Services LLC since 2018 in Birmingham, Alabama. Prior to 2018 George was Director of Nationwide Field Service Operations for YP.com in Birmingham, Alabama (2010 to 2018). George is also a Certified Nursing Assistant.

Lori Heinemann: Vice President & Chief Marketing & Revenue Officer

Lori has been our Vice President and Chief Marketing and Recruiting Officer since the formation of our company. Lori has also been Sales Manager with Dex YP in Birmingham, Alabama (2009-current).

ITEM 3

LITIGATION

Barbara Baker v. Your Choice Senior Care Franchising LLC; Elcie Pierce; Heart to Home Services, LLC filed October 12, 2020 in the Circuit Court of Shelby County, Alabama (Case No. 58-CV-2020-900800). Plaintiff filed suit for damages arising from claimed negligence, breach of contract and other actionable conduct causing or contributing to the injuries of Plaintiff and for vicarious liability. On June 22, 2021 the court entered into an Order in favor of Your Choice Senior Care Franchising LLC dismissing them with prejudice, as a defendant from the lawsuit.

Other than these actions, no litigation is required to be disclosed in this disclosure document.

ITEM 4

BANKRUPTCY

No bankruptcy information is required to be disclosed in this disclosure document.

ITEM 5

INITIAL FEES

1. Initial Franchise Fee

The nonrefundable Initial Franchise Fee is \$45,000 which must be paid to us upon signing your Franchise Agreement. The minimum size of a territory is 15,000 people as determined by the most recent published U.S. Census, aged 65 and older or a total population of 200,000 people regardless of age, whichever is less.

2. Start-up Kit

Together with the Initial Franchise Fee and Training Fee, you will also pay us \$4,000 for your opening start-up kit consisting of 2,500 rate cards, 1,000 business cards, 1,000 brochures, 500 heart magnets, 250 folders, 10 sheets of marketing stickers and templates and logos on the thumb drive. The cost of the start-up kit is payable upon execution of the Franchise Agreement, is nonrefundable and deemed fully earned upon payment.

There are no other fees you pay to us or any affiliate before you begin operating your business.

ITEM 6

OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Weekly Continuing License Fee	5% of Gross Revenue received by you from the previous week's operations or commencing 90 days after signing the Franchise Agreement, the sum of \$200, whichever is greater	A Weekly Report is due each Monday at 3 pm detailing all Gross Revenue received during the previous 7-day week (Monday through Sunday). Your weekly continuing License Fee will be debited by Electronic Funds Transfer ("EFT") from your bank account on Wednesday of each week.	(1) See definition of "Gross Revenue" below. In the absence of a timely weekly report we will debit a minimum fee of \$500 from your bank account and resolve any difference or discrepancy when the report is made. A fee of \$100 per occurrence of insufficient EFT will be charged.

Type of Fee	Amount	Due Date	Remarks
Client Database Software	\$125 to \$1,376	Monthly	Payable to supplier, WellSky, depending upon usage.
Marketing and Technology Fund Fee	1% of Gross Revenue.	The Marketing and Technology Fund fee, will be electronically debited by EFT from your bank account weekly.	This fund is to provide area, regional or national marketing or production and technology and obtain 4 e-mail addresses per franchisee .
Insurance	Amount paid by us for insurance you fail to obtain, and an administrative fee of 15%.	As Incurred if purchased by us on your behalf. Due immediately upon billing.	If you fail to obtain the required insurance coverage, we may, in our sole discretion, obtain the coverage at your expense plus administrative fees of 15% (Franchise Agreement Paragraph 11.13)
Successor Fee	\$10,000	Before you renew your franchise.	You only pay this fee to us if you want to renew the Franchise at the end of the term.
Transfer Fee	If we approve a transfer, the fee is \$10,000 to transfer an individual franchise	Prior to consummation of transfer.	You pay this fee to us if you transfer your business with our prior approval. The transfer fee is for supervision, marketing, selling, administrative, legal, accounting costs and other expenses for the transfer of the franchise.
Training Fee Upon Transfer of Business	\$2,500 per person trained & travel and living expenses	Prior to training	You or the transferee may request us to train additional employees upon the transfer of your business.

Type of Fee	Amount	Due Date	Remarks
Audit Fee	Cost of Audit and 1.5% interest per month on understated amount.	Due when billed following any such audit.	You pay this fee only if the audit reflects an understatement of 2% or more for any audited month.
Seminars and Training Conferences	Currently a maximum of \$300 per person, plus travel and living expenses of approximately \$1,000 to \$2,000.	Periodic Seminars and Conferences will be held at our company headquarters in Alabama or at a different location of our choosing. These events will not exceed 5 days in length.	Fee is payable prior to attendance at the event and expenses are paid as incurred. You will not be required to attend more than two such conferences per year.
Additional Training Requested By You	Currently \$350 per day, plus travel and expenses.	Immediately after notice from us.	If, at your request, we send one of our staff members to the franchised business to provide further assistance, we will charge you a daily rate for that assistance, plus the travel expenses for our employee.
Local Advertising Expense	You must allocate 2% of your Gross Revenue monthly to be used throughout the year for local advertising. All allocated funds must be used by the end of each calendar year. Can include promotional costs for special events.	As Incurred.	Various service providers.
Intranet Fee	If implemented, our cost	Invoice or EFT debit from your bank account.	Payable only if it is implemented

Type of Fee	Amount	Due Date	Remarks
Costs and Attorneys' Fees	Will vary under the circumstances.	Immediately upon notice from us.	You only pay if we succeed in any arbitration or litigation we bring against you, or in defending any claim you bring against us.
Indemnification	Will vary under the circumstances.	As incurred	You have to reimburse us if we are sued or held liable for claims arising out of your business.
Late Payment Charges	Maximum allowed by law, but not to exceed 1.5% per month.	Immediately upon notice from us.	You only pay this fee if late in paying fees you owe us.
Unauthorized Failure to Be Open	\$250 per unauthorized day you are closed without written permission from us.	As it occurs, the fee will be an EFT debit from your bank account.	You pay this fee to us if you are not authorized to be closed.

All fees that are imposed by and payable to us are uniform, subject to change, and nonrefundable.

Notes to Above Chart:

(1) "Gross Revenue" means the aggregate of all revenue from the sale of services and products from all sources in connection with the franchised business, whether for check, cash, credit, barter or otherwise including, without limitation, all proceeds from any business interruption insurance, but excluding (a) all refunds made in good faith, (b) any sales and equivalent taxes that are collected by franchisee for or on behalf of and paid to any governmental taxing authority, and (c) any rebate received by franchisee from a manufacturer or supplier.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT
(For Single Location)

Type of Expenditure	Estimated Amount Low High		Method of Payment	When Due	To Whom Payment is to Be Made
Initial Franchise Fee (1)	\$45,000	\$45,000	Lump Sum	Upon Execution of Agreement	Us
Start-Up Kit	\$4,000	\$4,000	Lump Sum	Upon Execution of Agreement	Us
Franchise Location – Rent/Security Deposit (2)	\$1,000	\$3,000	As Arranged	As Incurred	Landlord
Leasehold Improvement (3)	\$0	\$2,000	Lump Sum	As Incurred	Service Providers
Supplies	\$500	\$1,500	On Arranged Terms	As Incurred	Supplier
Signage (4)	\$300	\$2,000	Lump Sum or On Arranged Terms	As Incurred	Supplier
Utility Deposits, Licenses, Permits	\$500	\$2,000	Lump Sum or On Arranged Terms	As Incurred	Suppliers
Professional Fees (5)	\$500	\$2,000	As Arranged	As Arranged	Approved Suppliers
Computer Hardware and Software	\$2,000	\$3,000	Lump Sum or On Arranged Terms	As Incurred	Suppliers
Grand Opening Advertising (6)	\$500	\$2,000	As Arranged	As Arranged	Employees/ Suppliers
Travel and Living Expenses while Training	\$1,500	\$4,000	As Arranged	As Arranged	Employees/ Suppliers
Insurance (7)	\$2,000	\$4,000	As Arranged	As Arranged	Insurance Carrier

Type of Expenditure	Estimated Amount		Method of Payment	When Due	To Whom Payment is to Be Made
	Low	High			
Additional Funds – Initial 3 Months (8)	\$30,000	\$60,000	Lump Sum or On Arranged Terms	As Incurred	Suppliers
State Fees (9)	\$0	\$6,000	Lump Sum	As Incurred	State Authority
Consultant Fees for License Procurement	\$0	\$10,000	As Arranged	As Incurred	Approved Suppliers
Total Estimated Initial Investment (10)	\$87,800	\$150,500			

All fees paid to us are nonrefundable and fully earned when paid. The above estimates are based on information from our affiliate and information in the industry and do not include real estate purchases.

Notes to Above Chart:

1. Initial Franchise Fee. The nonrefundable initial franchise fee for a single location is Forty-Five Thousand Dollars (\$45,000).

2. Franchise Location/Rent-Security Deposit. You will establish an office or use an office sharing facility, approved by us, which enables you to rent the services of a receptionist, office phones, office space and conference facilities. If you lease traditional office space, the typical location will have 300 to 500 square feet. Lease cost will vary with real estate cost in each market. You are responsible for obtaining all necessary permits or licenses necessary for the site. Prepaid rent and security deposits are generally required by landlords, utilities and certain governmental entities.

3. Leasehold Improvements. If you lease traditional office space, minimal leasehold improvements are generally required before operation. These costs vary based on the size of the space and requirements of a particular landlord, depending upon whether or not the improvements are capitalized as part of the lease.

4. Signage. This range includes cost of any signage used at the designated location in the Franchised Business.

5. Professional Fees. This range represents the approximate cost associated with attorney and CPA fees.

6. Grand Opening Advertising. This range represents the approximate cost associated with promoting the opening of your location.

7. Insurance. This is an estimate of your initial insurance premium for required property and public liability insurance. Your cost will vary depending on your market, your carrier and other factors. The cost of other coverages including workers compensation and other types of coverage cannot be estimated as they vary widely on a market-by-market basis. We set minimum insurance requirements for your Franchised Business but we recommend that you seek the advice of an

independent risk management professional and/or insurance broker to determine the additional coverage you should have in place for the business.

8. Additional Funds – Initial 3 Months. You will need additional funds to cover expenses during the three-month period after starting your business. The actual amount you will need depends upon a number of factors, including the number of employees, how well you control initial expenses and your level of sales and marketing during the initial period.

The estimate of additional funds for the initial phase of your business is based upon recurring expenses and operating expenses for the first three months of operations. Additional funds required will vary by your management skill, experience, and business acumen; the relative effectiveness of any staff employed; local economic conditions; the local market for your services; prevailing wage rate; competition; and the sales level that you reach in your territory. You may incur other or higher cost, you may also need operating capital when running the business that is in addition to what is estimated here. These figures are estimates based upon information provided us from our affiliate.

9. State Fees. You must check with your state to ascertain if there are any state licensing fees that must be paid.

10. Total Estimated Initial Investment. The amounts shown in the chart are estimates only and may vary for many reasons including the size of the Franchised Business, the capabilities of your management team, where you locate your Franchised Business, and your business experience and acumen. For planning purposes, please note that must cost and expenses listed in this Item 7 are not within our control and are affected more by general economic conditions than our actions. This does not include personal living expenses, Franchise owner compensation, royalty, or marketing and promotion fund contributions. You should review these estimates carefully with a business advisor or accountant before making any decision to buy a franchise. We do not offer direct or indirect financing to you for any part of the Estimated Initial Investment. Once you sign the Franchise Agreement, no payment you make to us is refundable.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Generally

One of our prime objectives is to ensure quality control and protect the image of the franchise system. The success of our system depends upon the high standards, obtaining clients, scheduling your services, satisfaction of your clients and the health and safety of those clients. In order to achieve these high standards, you are required to offer and/or sell all items and services approved by us and not deviate from our standards and specifications by offering or selling unapproved items or services.

Franchise Location and Lease

If you comply with state and local laws you may operate from a rented space in an office sharing facility. You must obtain our approval for the site of your Franchised Business. It is also your responsibility to ensure your selection of an existing building and that building plans comply with all federal (including the American with Disabilities Act), state and local laws. If you are leasing the premises for your Franchised Business your lease must contain a conditional assignment and assumption of lease in our favor (Exhibit “I” to the FDD) to ensure your performance of the Franchise Agreement. Additionally, the conditional assignment and assumption of lease will require the landlord to consent to the conditional assignment and assumption of lease and our right to cure certain

other defaults of your lease should you not do so.

Approved Suppliers and Supplies

We will give you a list of approved suppliers authorized for the Franchised Business (“Approved Suppliers List”) and a list of approved inventory, products, fixtures, furniture, equipment, signs, stationery, forms, supplies and other items or services necessary to operate the Franchised Business (“Approved Supplies List”).

You must purchase your equipment, products, merchandise and supplies only from our approved suppliers as described in this Item 8. You will pay the then-current price in effect for all purchases you make from us, our affiliate or any third party vendor we designate. The cost of required equipment, fixtures, and supply purchases in accordance with specifications represent 15% to 20% of your total purchases in connection with establishment of your franchise. The ongoing purchase of supplies from approved sources will represent 1% to 5% of your overall purchases in operating your franchise. We derived no revenue for required purchases from any vendor during the year 2024.

Any item used in the Franchised Business which is not specifically required to be purchased in accordance with the Approved Suppliers List or the Approved Supplies List must conform to our established standards and specifications.

Approved Supplier and Approved Supplies Lists also may include other specific products without reference to a particular manufacturer or supplier, or they may set forth the specifications and/or standards for other approved products. For example, as noted below, you must obtain insurance that meets our standards and requirements. We may revise the Approved Suppliers List and Approved Supplies List from time to time as we deem advisable. We will determine and give you the contact information for the distributors and/or manufacturers of all products offered by you. We do not provide you with material benefits (for example, successor franchises or granting additional territory or franchises) based upon your purchases of particular products or services or use of particular suppliers.

Approval of Additional Suppliers or Supplies

If you would like to sell or use any product, material or item or purchase any products from a supplier not on either of these lists, you must notify us and may need to submit samples and other information to us so that we can make an informed decision as to whether the product or supplier meets our standards. You may be charged for the costs of our decision. We will approve your requested item or supplier within 30 days. Our application form for approving a supplier or item is published in the Operations Manual.

If you propose to use in the operation of your franchise any service, product, supply, material, furnishing or equipment which has not yet been approved by us as conforming to our specifications and quality standards and/or from a supplier not yet approved in writing by us, you must first notify us in writing and must submit to us sufficient information, specifications, and samples so that we can determine whether the item or service complies with System standards or the supplier meets our supplier criteria.

We will provide you with our criteria for approving supplies and suppliers within 30 days of your request for that information.

We will provide you with written approval or disapproval within a reasonable time period (typically 30 days) after you have supplied all the information we request from you. You may not use any supplier, service, product, supply, material, furnishing or equipment that we have not approved.

Supplier approval will depend on service or product quality, delivery frequency and reliability, service standards, financial capability, customer relations, concentration of purchases with limited suppliers to obtain better prices and service, and/or a supplier's willingness to pay us or our affiliate for the right to do business with our System. We may inspect or re-inspect the facilities and products of any approved supplier and revoke our approval if, in our sole judgment, the supplier fails to continue to meet our criteria and specifications. We consider a supplier's ability to timely deliver products in the quantity necessary, the price and quality of a product, and a supplier's location among other things when approving a new supply or supplier.

Nothing contained in this Disclosure Document or in the Franchise Agreement requires us to approve an inordinate number of suppliers of a given item or approve suppliers, which, in our reasonable judgment, would result in higher costs to our franchisees or prevent, in our sole judgment, our effective and economical supervision of suppliers.

Computer System

You must obtain and use the computer hardware and/or operating software and/or communications capabilities we specify from time to time (the "Computer System"). We may modify specifications for and components of the Computer System. We currently require you to use WellSky software. There is an initial cost of \$275 and an on-going monthly fee of \$275. You are also required to use an Apple iPad, the cost of which is included in Item 7.

Insurance

You must maintain in force at your sole expense comprehensive public liability coverage, general liability insurance, personal injury coverage and motor vehicle liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in connection with the Franchised Business's operation, all containing the minimum liability coverage we prescribe from time to time. The current requirements for insurance policies and coverage include: (1) comprehensive general liability insurance with limits of at least \$1 million per occurrence and \$3 million aggregate; (2) workers' compensation, \$1,000,000 each accident, \$1,000,000 disease (each employee) and bonding of \$10,000 per occurrence, as well as employer's liability insurance as well as other insurance that may be required by statute or rule of the state in which the Franchised Business is located and operated; (3) personal injury coverage with limits of at least \$1 million per occurrence and \$1 million aggregate; (4) property damage coverage with limits of at least \$1 million per occurrence and \$1 million aggregate; (5) professional liability coverage with limits of at least \$1 million each incident and \$3 million aggregate; (6) employment practices liability insurance with limits of at least \$25,000 per occurrence and \$2,500 deductible; and (8) automobile liability insurance, and property damage liability, including owned, non-owned, and hired vehicle coverage, with at least \$1 million general aggregate limit. You also must obtain and maintain a fidelity bond in an amount at least equal to the great of (i) the amount required by applicable state and local laws and regulations or (ii) the amount specified in the Operations Manual. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional coverage (including reasonable excess liability insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. These insurance policies must name us and any affiliates we designate as additional named insured and provide for 30 days' prior written notice to us of a policy's material modification, cancellation or expiration. You routinely must furnish us copies of your Certificates of Insurance or other evidence of your maintaining this insurance coverage and paying premiums. If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies, we may (but need not) obtain comparable insurance for you and the Franchised Business on your behalf, in which event you shall cooperate with us and reimburse us for all

premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining the insurance.

We may operate and change the Franchise System in any manner that is not expressly or specifically prohibited by the Franchise Agreement. Because complete and detailed uniformity under many varying conditions may not be possible or practical, we specifically reserve the right and privilege, as we consider it to be best, to vary System Standards for any franchisee or any franchised business based upon the peculiarities of any condition that we consider important to that franchisee's or franchised business's operation. Periodically, we may modify System Standards, and to the extent the changes to the System Standards will apply, generally, to franchisees and offices operating under the System, these modifications may obligate you to invest additional capital in the Franchised Business and/or incur higher operating costs. You must implement any changes in the System Standards within a time period we request, whether they involve refurbishing, or remodeling the Premises or any aspect of the Franchised Business, buying new operating assets, adding new services offered by the Franchised Business, or otherwise modifying the nature of your operations.

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.

OBLIGATION		SECTION IN FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
a	Site selection and acquisition/lease	§ 2 and 4	Items 6 and 11
b	Pre-Opening purchases/leases	§ 4, 5 and 6	Items 7, 8 and 11
c	Site development and other pre-opening requirements	§ 2, 4, 5 and 6	Items 6, 7 and 11
d	Initial and ongoing training	§ 3, 4 and 7	Items 6, 7 and 11
e	Opening	§ 3, 4, 5, 7, 11 and 15	Item 11
f	Fees	§ 3, 6, 7 and 12	Items 5, 6 and 7
g	Compliance with standards and policies/Operation's Manual	§ 3, 4, 5, 6, 7, 9, 11, 12, 13 and 19	Items 11 and 17
h	Trademarks and proprietary information	§ 5, 8, 9, 11 and 12	Items 13, 14 and 17
i	Restrictions on products/services offered	§ 5, 8 and 11	Items 16 and 17

OBLIGATION		SECTION IN FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
j	Warranty and customer service requirements	None	None
k	Territorial development and sales quotas	§ 4	Item 12
l	Ongoing product/service purchases	§ 5 and 11	Item 8
m	Maintenance, appearance and remodeling requirements	§ 5 and 11	Items 11 and 17
n	Insurance	§ 11	Items 6 and 8
o	Advertising	§ 5, 8, 11 and 12	Items 6 and 11
p	Indemnification	§ 18	Item 6
q	Owner's participation/ management/staffing	§ 1, 5 and 7	Items 11 and 15
r	Records/reports	§ 3, 4, 6, 10, 11 and 13	Items 6, 11 and 17
s	Inspections/Audits	§ 6 and 14	Items 6, 11 and 17
t	Transfer	§ 15	Item 17
u	Renewal	§ 3	Item 17
v	Post termination obligations	§ 16 and 17	Item 17
w	Non-competition covenants	§ 9, 10, 17 and 19	Item 17
x	Dispute Resolution	§ 19	Item 17

ITEM 10

FINANCING

We do not offer, directly or indirectly, any financing arrangements to you. Neither do we guarantee your note, lease or any other obligation. We do not place financing and, therefore, we do not receive payments for the placement of financing.

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Preopening Assistance

(i) We will approve the location of your business and provide you with the description of your Designated Territory where we will not place another franchise (Franchise Agreement, Section 4).

(ii) We will provide to you lists of approved suppliers for the equipment, goods and materials you will need to operate the Franchised Business (Franchise Agreement Section 5).

(iii) We will provide you an electronic copy of the Operating Manual and other documents containing mandatory and suggested specifications, standards, operation rules established from time to time by us and information relative to your obligations and the operation of your franchise business (Franchise Agreement Section 11).

(iv) We will provide twenty-eight (28) hours of classroom training and eighty-eight (88) hours of on the job training before opening to assist and guide you in operating your franchise. We will help you establish suggested pricing for your franchise services. You must obtain our approval of all pricing prior to opening your franchised business.

(v) We will provide pre-opening telephone support and assistance prior to opening your franchise such advice in the necessary tasks, steps and actions to open your franchise.

(vi) We will assist you in ordering your initial equipment and supplies and will advise you on the expenditure of your opening marketing and advertising efforts. You are required to spend a minimum of \$500 and a maximum of \$2,000 in local "Grand Opening" marketing and advertising.

Optional Assistance During the Operation of The Franchised Business

(i) We will provide to you, from time to time, as we in our sole discretion deem appropriate, advice and materials concerning techniques of managing and operating your Franchised Business, including promotional materials designed to enhance the quality and effectiveness of your Franchised Business (See Section 7 of the Franchise Agreement).

(ii) We may in our sole discretion, update the Approved Supplies and Supplier list as we deem necessary (See Section 5 of the Franchise Agreement).

(iii) We may change or modify the System, including the use of new or modified trade names, trademarks, service marks, new computer programs and systems, supplies, merchandise, products, equipment or new techniques (Section 11 of the Franchise Agreement).

(iv) We may arrange, from time to time, in our sole discretion, as we deem appropriate for new strategic alliances with third parties. You may, but are not required to participate. If you do elect to participate, you will be required to comply with the terms of such strategic alliance program. We do not currently plan to charge a fee to participate in strategic alliance programs.

Marketing and Technology Fund

All franchisees will contribute one percent (1%) per month of gross sales. Several services to you will be supported by this fund and the amount of your fee may reasonably be increased in

response to rising costs. Weekly payments to the Marketing and Technology Fund will be made through our electronic funds transfer system described in Item 6. Our current affiliate location as well as future affiliate or company owned locations will not contribute to the fund. Any location owned jointly or separately by any of our officers or directors will not contribute to the fund. The fund will be administered by us and there will be annual unaudited financial statements accounting for the placement of all Marketing and Technology Fund fees. We will not receive any payment or fee for providing services to the fund. Surplus funds at the end of any year will be carried over into the following year. Some advertising media will be generated by us and other items may be produced by selected agencies. We will determine how and where the money will be spent at our sole discretion whether local, regional or national. Marketing will not be designated for the benefit of any specific franchisee, but for the benefit of the system as a whole as we may determine from time to time. Upon your written request, we will provide you a copy of our annual report of expenditures of the Marketing and Technology Fund and how funds were raised during the most recently ended fiscal year on a confidential basis.

For the fiscal year ending December 31, 2024, the Marketing and Advertising Fund expenses amounted to approximately \$33,915. The purpose for which we spent Marketing and Advertising Fund contributions in 2024 was:

Media Placement	100%
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The Marketing and Technology Fund will support our National Website which will also contain each franchisee's individual location information.

The National Website will become a primary marketing source for the franchise system. Its major purpose is to establish and promote our brand that will attract business for our franchisees and provide an internet presence for each franchisee. We will benefit from contacts by new franchisee candidates through this website, and our franchise opportunity information and application pages will be present within the site. As with all other advertising materials, stationery and business cards, the site will also contain references to the fact that "Franchises Are Available" and that "Each Franchised Business Is Independently Owned and Operated." Other than the website notice, we do not use any part of the Marketing Fund to solicit new franchise sales, but reserve the right to do so.

The National Website contains all of the basic information about the franchise system and the services offered by our locations. Each franchisee receives the following direct benefits from the website in return for the payment of the Marketing and Technology Fund:

(i) Listing for your individual Location which will provide your franchise with an internet presence, including your business address and telephone information, photographs showing your personnel and location and other information about your local franchise. You do not have any responsibility or expense for designing, hosting, modifying, managing or operating this website presence;

(ii) If we deem it necessary to do so because of increased costs to us, we may develop proprietary software or alternate sources to provide email hosting and/or other services. If so, we or our designee shall license the software to you and we may need to make a reasonable increase the Marketing and Technology Fund fee as a result. You agree to pay the increased fee required by us and you will comply with all specifications and standards prescribed by us from time to time in our operations manual.

Computer Requirements

You are solely responsible for the acquisition, operation, maintenance and upgrading of your computer system.

(i) Hardware – We require you to purchase either a laptop or desktop computer system, to operate your Franchise Business. You may obtain your computer system from any vendor so long as it meets our requirements. The current cost of the required computer hardware is between \$600 and \$1,500.

(ii) Software – We require all franchisees to use the scheduling system software we specify in our operations manual, although we may change this software with an alternate software at any time. The current cost of the Wellsky Personal Care systems software is approximately \$275 start-up and \$275 per month. You will pay the vendor the cost of use of the operating software.

The operating software provider and fees are subject to change. If we change software, you will be responsible for the cost of any replacement software. In addition, we may assess a technology fee for licensing any related maintenance and/or upgrade fees related to this software.

When you execute our Franchise Agreement, you will acknowledge that as a user of the software you are responsible for compliance with all local, state and federal laws and the accuracy of all information inputted into, contained in, generated by or accessible from this software. We do not give any warranties relating to software, including but not limited to, warranties of merchantability or fitness for a particular purpose.

Your right to any software license or the use of any technology may be conditioned upon your signing a license agreement or other similar document that regulates your use and limits your rights, with respect to the software or technology.

(iii) Maintenance and Upgrade Requirements and Costs – We are not obligated to provide any ongoing maintenance, repairs, upgrades or updates for your computer system and software, and neither our affiliate nor any other third parties have any obligation to do so. We may require that you purchase a maintenance and support contract for your computer system and software. We reserve the right to change the software and computer system requirements at any time during the term of your Franchise Agreement, and you are obligated to upgrade or update your software and computer system at the time we implement those changes. There are no contractual limitations on the frequency and cost of your obligation to upgrade or update your software and computer system to meet any new requirements that we implement. We need not reimburse you for any of these costs.

(iv) Internet and E-mail Access – You must have a reliable, redundant high-speed Internet connection as well as a functioning e-mail address so that we can send you notices and otherwise communicate with you by this method. We may provide you with a preferred Your Choice Senior Care email address for business use as a Franchised Business owner.

(v) Access to Information – During the term of your Franchise Agreement, we and you will jointly own all information generated by or stored that you use to operate the Franchised Business. We have the right to access all information related to the Franchised Business at any time during the term of your Franchise Agreement and periodically may establish further policies respecting the use of access to such information. Sole ownership of that information will revert to us if your Franchise Agreement is terminated, and you must immediately transfer such information to us upon termination.

(vi) Payroll Systems – We require you to use a payroll service (currently ADP) to ensure proper preparation of your payroll.

Confidential Operating Manual

We will loan you one copy of our Franchisee Operations Manual (“Manual”) which contains mandatory and suggested specifications, standards and operation procedures as we prescribe and may also include information relative to your Franchise Agreement. The Manual may be amended or modified from time to time to reflect changes in our System. You must keep the Manual confidential and current, and may not copy any part of the Manual. The table of contents for the Manual is listed in Exhibit “D”. There are 423 pages in the Manual.

Accounting Application

We require you to use an accounting application for your franchise which is currently QuickBooks. The software is owned and developed by Intuit and is an online service.

Time to Open

You must be fully open to the public within 120 days from the signing of the Franchise Agreement, subject to unavoidable delay or failure to perform [Force Majeure] (Franchise Agreement – Section 5). You may not open the franchise for business until: (1) we approve the franchise as being developed and fully completed according to our specification and standards; (2) pre-opening training of you and your personnel has been completed to our satisfaction; (3) you have completed all pre-opening marketing requirements; (4) the Initial Franchise Fee and all other amounts then due to us have been paid; we have been furnished with copies of all required insurance policies, or such other evidence of insurance coverage and payment of premiums as we request; and (6) we have received signed counterparts of your lease and all other required documents pertaining to your site.

Franchisee Management Certification Training

We provide a mandatory initial training course before you begin to operate the franchise. We do not have regularly scheduled training classes. Training consists of classroom sessions for a period of twenty-eight (28) hours and on-the-job training for eight-eight (88) hours totaling one hundred sixteen (116) hours. Currently we provide Certification Training at the locations in the Chart Below. It is mandatory that the majority owner and/or operating partner complete the initial franchise training.

Franchisee Management Certification Training Program

Subject	Classroom Training Hours	On-The-Job Training Hours	Location
Operations	8	28	Territory Site
Marketing	4	32	Territory Site
Financial	4	4	Birmingham, AL or Video Conference
Technology	4	4	Birmingham, AL or Video Conference
Scheduling	8	12	Territory Site
On-Site	N/A	8	Territory Site
TOTALS	28	88	

Notes on Above Chart:

- (1) We will provide this initial training at no additional charge to you. You must

pay all travel and living expenses for you and your trainees. We may increase, decrease and/or adjust the above training program to the extent that we deem appropriate.

- (2) Joe Soles and George Heinemann are our primary trainers. Each of these individuals is described in Item 2 of this document. We may substitute trainers and speakers depending on availability. Manuals will be used as our primary training material.
- (3) All of the above specifications and descriptions are subject to change as we may determine the need to do so.

Other Conference/Training/Educational Events

Each person who signs the franchise agreement must attend Conferences that may be scheduled from time to time as we may determine to be necessary, either in Fairhope, Alabama, or Birmingham, Alabama, or at a different location of our choosing. Conferences will not exceed five (5) days in length. If you purchase more than one (1) franchise territory, then the manager from each location must attend the above sessions.

During the operation of your business, we will, upon your request and at your expense, and to the extent we have personnel available, send one or more members of our staff to the franchised business to provide additional follow-up assistance and training (Franchise Agreement – Paragraph 7.4).

Other Services

We will provide the following services as we may from time to time determine the need to do so: teleconference and coaching assistance in marketing procedures and methods; assistance in pricing of services; and information on new methods and new services.

Although not required to do so under the Franchise Agreement, we may provide other supervision, assistance or services during the operation of the franchise business, including providing you with promotional materials and promotional techniques, as we may determine.

At your request and for an additional fee we may visit your franchise business for the purpose of consultation, assistance, and guidance in all aspects of the operation and management of the franchise business.

We may furnish you with such assistance in connection with the operation of the franchised business as is reasonably determined to be necessary by us from time to time.

ITEM 12 TERRITORY

Your Designated Territory will be defined by zip codes and a map attached in your Franchise Agreement. Your Designated Territory will include the lesser area of either 15,000 people ages 65 or older or total population of 200,000 people regardless of age, whichever is less. Zip codes are a system of postal codes used by the United States Postal Service (“USPS”) and are changed by the USPS from time to time. Changes by the USPS may affect the zip codes and geographic area that

makes up your Designated Territory. You maintain rights to your Designated Territory in accordance with the map attached to your Franchise Agreement, even though the population increases.

You cannot advertise for or recruit or attempt to solicit clients outside your territory without our prior written consent. Upon our demand you must discontinue using all advertising and telephone numbers, which are active in the area outside your territory and direct the telephone company servicing you to transfer to us or a person or company we designate all of the telephone numbers registered to you there.

Rights We Reserve in Your Franchise Agreement

Your territory rights are not exclusive; we retain the absolute right to:

1. Establish, and grant to other franchisees the right to establish franchises anywhere outside the Designated Territory, on such terms and conditions as we deem appropriate (even immediately outside the border of the Designated Territory), but not within the Designated Territory of your Franchise Business you open under the Franchise Agreement and continue to operate under it.

2. Operate, and grant franchises to others to operate businesses, whether inside or outside the Designated Territory, specializing in the sale of services, other than a Competitive Business or a Franchise Business, using some of the Marks and/or all of the Marks pursuant to such terms and conditions as we deem appropriate.

3. Operate, and grant franchises to others to operate businesses or provide other services, whether inside or outside the Designated Territory, that do not use any of the Marks;

4. Market and sell, inside and outside of the Designated Territory, through channels of distribution other than full service Franchised Business franchises.

5. You cannot advertise for or attempt to solicit clients outside your territory without our prior written consent. Upon our demand you must discontinue using all advertising and telephone numbers which are active in the area outside your territory and direct the telephone company servicing you to transfer to us or a person or company we designate all of the telephone numbers registered to you there.

6. You cannot provide services outside your territory without our written authorization.

Minimum Sales

The continuation of your Designated Territory as well as not being in violation of your Franchise Agreement is contingent upon your maintaining gross revenue levels set forth below:

- | | |
|---------------------------|------------|
| 1. First Calendar Year - | \$ 250,000 |
| 2. Second Calendar Year - | \$ 400,000 |
| 3. Third Calendar Year - | \$ 600,000 |
| 4. Fourth Calendar Year - | \$ 800,000 |
| 5. Fifth Calendar Year - | \$ 950,000 |

6. Sixth Calendar Year -	\$	1,000,000
7. Seventh Calendar Year -	\$	1,200,000
8. Eight Calendar Year -	\$	1,300,000
9. Ninth Calendar Year -	\$	1,400,000
10. Tenth Calendar Year -	\$	1,500,000

If you fail to meet gross revenue requirements, we may reduce the size of your Designated Territory or terminate your Franchise Agreement.

ITEM 13

TRADEMARKS

Under the Franchise Agreement, we grant you the non-exclusive right to use the proprietary Mark “Your Choice Senior Care” in connection with your franchise for your use and only in the manner authorized and permitted by us.

The Primary Mark was registered with the United States Patent and Trademark Office (“USPTO”) by Senior First Choice LLC, was assigned to us thereafter, and is based upon actual use as follows:

Trademark: Your Choice Senior Care

Registration No.: 4484857

Registration Date: February 18, 2014

Principal Register Owner: Your Choice Senior Care Franchising, LLC

All required affidavits have been filed and accepted in a timely manner. There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeals Board, the Trademark Administrator of any state or any court relating to the Mark. There is no pending infringement, opposition or cancellation involving the Mark; no known superior rights or infringing uses actually known to us that could materially affect your use of the Mark; and no pending material litigation involving the Mark. All affidavits and renewals required to be filed have been filed.

Other than our license agreement, there are no currently effective agreements that significantly limit our rights to use or license the use of the Marks listed in this Section in a manner material to the franchise to be sold.

The franchise agreement grants you the non-exclusive right to use the Marks to identify the products and services offered by us. We have the right to require you to modify or discontinue your use of any Mark. If we exercise this right, we will provide advance notice to all franchisees. We will have no liability or obligation for your modification or discontinuance of any Mark or promotion of a substitute trademark, service mark or trade dress.

You must follow our rules when using the Mark. You must receive our approval when choosing your corporate name and you cannot use the Marks as part of the corporate or other legal entity name or with modifying words, designs or symbols without our consent. All of your usage of the Marks and any goodwill you establish is to our exclusive benefit and you retain no right in the

Marks on termination or expiration of the franchise agreement. You must also obtain fictitious or assumed name registrations as we require, or under applicable law.

The franchise agreement does not contain any provisions under which we are required to defend or indemnify you against any claims of infringement or unfair competition arising out of your use of the Marks. You must immediately notify us of any apparent infringement of or challenge to your use of any Mark or claim by any person of any rights to any Mark. We will have the sole discretion to take any action we deem appropriate and will have the right to control exclusively, any litigation or USPTO or other administrative proceedings arising out of any infringement, challenge or claim or otherwise relating to any Mark. You must execute any and all instruments and documents, provide assistance and do such things as, in the opinion of our counsel, may be necessary or advisable to protect our interest or our licensor's interest in any litigation or USPTO or other proceeding or otherwise to protect our interest in the Mark. We have no obligation under the franchise agreement to protect you against or reimburse you for any damages for which you are held liable.

We may not be able to prevent anyone who began using the name Your Choice Senior Care or any variation thereof before our use of it from continuing their use of that name in the area of prior use. The name Your Choice Senior Care may be in use by other businesses in the United States who are not our franchisees or in any way affiliated with us. You will be responsible for finding out whether the name Your Choice Senior Care is already being used in your granted Territory. Under the franchise agreement you release us from any liability to you caused by any prior use of the name Your Choice Senior Care or any variation thereof by anyone else.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents that are material to the franchise. We claim copyright protection of our Manuals and related materials, certain proprietary information, knowledge and know-how concerning the methods of operation of the franchise and promotional materials, although these materials have not been registered with the United States Registrar of Copyrights. These items are considered proprietary and confidential and are considered our property and may be used by you only as provided in the Franchise Agreement.

There are no agreements in effect which significantly limit our right to use or license the copyrighted materials.

Franchisee Operations Manual(s)

During the term of the Franchise Agreement, we will provide electronically to you at no charge our Confidential Operating Manual(s) in which we assert a copyright interest. The Confidential Operating Manual(s), its supplements, and any other materials or information designated by us as confidential. You will not provide your employees access to the Confidential Operating Manual(s) unless necessary to operate your franchise.

You must use your best efforts to keep confidential all provisions in the Confidential Operating Manual(s), including any supplements or amendments that we provide. You are responsible for keeping your copy of the Confidential Operating Manual(s) up-to-date. The provisions in our master copy will control any disputes that arise. You agree to comply with every provision in the Confidential Operations Manual(s) and every revision to the Confidential Operating

Manual(s) that we may make from time to time, provided such revisions do not implement new or different requirements which alter the fundamental terms and conditions of the Franchise Agreement.

We will loan you a replacement copy if you lose or misplace your copy or supplements but we may require a reasonable replacement charge. You must not photocopy any part of the Confidential Operating Manual(s) without our written consent.

Trade Secrets and Know-How

We will be disclosing to you certain proprietary information in our programs, systems, techniques manuals, and trade secrets as well as know-how and operating format related to our methods and materials. You will also use certain materials in the operation of your Franchised Business in which we have a copyright interest. You, however, do not acquire any right or interest in such proprietary information.

You must not disclose any of our proprietary rights, information, or know-how, except as authorized in the Franchise Agreement. You must maintain adequate security in the control, use and handling of our proprietary materials as specified in the Confidential Operating Manual or in writing from us. All persons you employ who can access our proprietary materials are required to sign our approved Confidentiality Agreement (Exhibit "L"). All persons with an ownership or voting interest in an entity franchise and all individual franchisees who enter into Franchise Agreements and any person employed by or under an independent contractor relationship with you who receives or who will receive any training by us or you which is directly or indirectly related to the System or involves any of the Confidential Information must sign our Approved Confidentiality, Non-solicitation and Non-competition Agreement (Exhibit "L"). You must immediately notify us of any unauthorized use of our trade secrets. We have complete authority under the Franchise Agreement to take such action or inaction as deemed appropriate.

Failure to comply with the requirements of the Franchise Agreement with respect to confidentiality will cause us irreparable injury and you agree to pay us an amount equal to the aggregate of our cost of obtaining specific performance of, or an injunction against violation of, the requirements of the Franchise Agreement concerning confidentiality, including without limitation, reasonable attorney fees, cost of investigation and proof of facts, court expenses, and damages incurred by us.

ITEM 15

OBLIGATIONS TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

We require you to participate in the supervision of the franchise. We may, however, agree in writing to allow someone other than an owner to act as the on-premises manager. That person must complete our training program and cannot have any interest or business relationship with any of our competition and must sign a written agreement to maintain confidentiality of the proprietary information and trade secrets described in Item 14 and conform to the covenants not to compete as described in Item 17. We may, in our sole discretion, allow franchisees to be corporations, limited liability companies or other entities subject to our approval; however, if a corporation, limited liability company or other entity is allowed to be a franchisee, the individual stockholders, members, etc. must personally guarantee the obligations under the Franchise Agreement and also agree to be personally bound by, and personally liable for, the breach of every provision of the Franchise Agreement, including confidentiality and non-competition provisions. If you are a partnership, each partner must personally guarantee your obligations under the Franchise Agreement and also agree to be personally

bound by, and personally liable for, the breach of every provision of the Franchise Agreement. They must further agree to be bound by the confidentiality and non-competition provisions of the Franchise Agreement and agree to certain restrictions on their ownership interest. All persons with an ownership or voting interest in a non-individual franchise and all individual franchisees who enter into Franchise Agreements must execute a confidentiality/non-competition agreement in the form of our “Confidentiality, Non-solicitation and Non-Competition Agreement” (see Exhibit “L”).

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must use only those products, services, equipment, programs and other items in the operation of your Franchised Business that we have designated in the Franchise Agreement, the Confidential Operating Manual, or specifically approved in writing unless, as to any one or more items, you are prohibited by local law or regulation or unless we have granted you our advance written approval to exclude some items or service. If you would like to sell any product, service, equipment or program which is not a part of the System, then you must seek and obtain our advance written permission. If we grant our advance written approval, then the product, service, equipment or program in question will become a part of the System (though we will not be required to, but may, authorize it for sale at one or more other Franchised Businesses). We may subsequently revoke our approval. We will own all rights associated with the product, service, equipment or program. You will not be entitled to any compensation in connection with it.

We may add to, delete from or modify the services, products, equipment, programs and other items which you can and must offer or we may modify the System. You must abide by any additions, deletions and modifications. There are no limits on our rights to make these changes.

If at any time any Approved Products or any other components of the System are unavailable at your Franchised Business for any reason, and you can affirmatively prove such unavailability, we will identify alternative products or other components of the System that you may offer at your Franchised Business, only until such time as the Approved Product or other component of the System becomes available. When the Approved Product or other component of the System becomes available, you will be required to offer it at your Franchised Business.

You may only sell System products and services at retail, and you may not engage in the wholesale sale and/or distribution of any System product, service, equipment or other component, or any related product or service.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Paragraph 2.1	10 year term.

Provision	Section in Franchise Agreement	Summary
b. Renewal or extension of the term	Paragraph 3.1	If you are in good standing and not in default under the Franchise Agreement, you may enter into a successor franchise agreement, provided that: (i) if you are in an approved leased location, you maintain possession of and agree to remodel and/or expand your Franchised Business, add or replace improvements, equipment and signs and otherwise modify your Franchised Business as we require to bring it into compliance with specifications and standards then applicable for a Franchised Business, or (ii) if you are unable to maintain possession of the Site, or if in our judgment your Franchised Business should be relocated, you secure substitute premises we accept, develop such premises in compliance with specifications and standards then applicable for your Franchised Business and continue to operate your Franchised Business at the Site until operations are transferred to the substitute premises.
c. Requirements for you to renew or extend	Paragraphs 3.1-3.5	Maintain Site or secure substitute Site, bring your Franchised Business into compliance with our then current specifications and standards, sign new Franchise Agreement and ancillary agreements, general releases (subject to state law), satisfactory completion of training and refresher programs, and pay us the fee. On renewal, you may be asked to sign a successor contract with materially different terms and conditions than your original Franchise Agreement.
d. Termination by you	None	None
e. Termination by us without cause	None	None
f. Termination by us with cause	Section 16	We can terminate only if you commit one of several violations (subject to State Law, see Exhibit "N").

Provision	Section in Franchise Agreement	Summary
g. “Cause” defined-defaults which can be cured	Section 16	You have 10 days to cure noncompliance with any provision other than Paragraph 16.2 of the Franchise Agreement or the System Standards. You have 10 days to cure monetary defaults and 30 days to have vacated an attachment, seizure, writ, warrant or levy on any Franchised Business or any order or appoint a receiver, trustee or liquidator of you or any Franchised Business.
h. “Cause” defined – non-curable defaults	Section 16	Non curable defaults include material misrepresentation or omission, failure to complete training, failure to comply with management requirements, failure to obtain an approval of the location within the time periods specified for such approvals, failure to open the Franchised Business within 120 days, abandonment, unapproved transfers, conviction of or a plea of no contest to, a felony or other serious crime, violations of anti-terrorism laws of “blocking” of assets under anti-terrorism laws, dishonest or unethical conduct, unauthorized assignment of the Franchise Agreement or of an ownership interest in you or the Franchised Business, loss of the Site, unauthorized use or disclosure of the Confidential Operating Manual or confidential information, failure to pay taxes, repeated defaults (even if cured), an assignment for the benefit of creditors or written admission of insolvency or inability to pay debts as they become due. Failure to meet the minimum gross revenue requirements or the development obligations or pay any fees owed.
i. Your obligations on termination/nonrenewal	Section 17	Obligations include payment of outstanding amounts, complete de-identification and return of confidential information (also see (r) below). Ceasing your development activities.
j. Assignment of contract by us	Paragraph 15.1	No restriction on our right to assign.

Provision	Section in Franchise Agreement	Summary
k. "Transfer" by you-definition	Paragraph 15.2	You, your owners or your affiliate(s)' voluntary or involuntary, direct or indirect assignment, sale, gift or other disposition of any interest in the Franchise Agreement, you, or the Franchised Business.
l. Our approval of transfer by you	Paragraphs 15.2-15.5	We have the right to approve all transfers, even to a Business Entity controlled by you.
m. Conditions for our approval of transfer	Paragraph 15.3	New franchisee qualifies, you pay us all amounts due, transferee and its managerial employees agree to complete training, transferee agrees to enter a new Franchise Agreement, transfer fee paid, we approve material terms, you subordinate amounts due to you, and you sign other documents we require-including general releases (also see "r" below).
n. Our right of first refusal to acquire your business	Paragraph 15.8	We can match any offer for an ownership interest in you, your Franchise Agreement or your franchised location provided that we may substitute cash for any form of payment at a discounted amount if an interest rate will be charged on any deferred payments, our credit will be deemed equal to that of any proposed purchaser, we will have no less than 60 days to prepare for closing and we receive all customary representations and warranties, as we specify.
o. Our option to purchase your business	Paragraph 17.5	We have the option to buy your Franchise Business, including leasehold rights to the Site, at fair market value after our termination or your termination without cause, of the agreement (but not expiration).
p. Your death or disability	Paragraphs 15.5 and 15.6	Franchise or an ownership interest in you must be assigned to an approved buyer within 6 months and must be run by a trained manager during the period before the assignment. Assignment is subject to our right of first refusal.

Provision	Section in Franchise Agreement	Summary
q. Non-competition covenants during the term of the franchise	Paragraph 9.3 & Section 10	No interest in a Competitive Business, no controlling ownership interest in, or performance of services for, a Competitive Business anywhere.
r. Non-competition covenants after the franchise is terminated or expires	Paragraph 17.4	No interest in competing business for 2 years at, or within 50 miles of the site or Designated Territory or within 15 miles of any other franchisee's Designated Territory in operation or under construction (same restrictions apply after assignment).
s. Modification of the agreement	Paragraph 19.13	Franchise Agreement- No modifications except by written agreement, but Confidential Operating Manual and System Standards are subject to change.
t. Integration/merger clause	Paragraph 19.13	Only the terms of the Franchise Agreement (including the Confidential Operation Manual, System Standards, addenda and exhibits) are binding (subject to state law). Any other promises may not be enforceable.
u. Dispute resolution by arbitration or mediation	Paragraphs 19.9 and 19.10	Except for certain claims, all disputes must be mediated and arbitrated at our headquarters (subject to State Law, see "P").
v. Choice of forum	Paragraph 19.8	Mediation/Arbitration in Birmingham, Alabama
w. Choice of law	Paragraph 19.5	Alabama law applies (subject to State Law, see Exhibit, "N").

Note: See Exhibit N for state specific and other Addenda and Riders.

The provisions of the Franchise Agreement that provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

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 Our franchised and company owned locations, if there is a reasonable basis for the information, and the information is included in this disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) We provide the actual records of an existing outlet you are considering buying; or (2) We supplement the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

During the calendar year 2024 we had 6 franchises which were open and operating one year or longer during 2024. The chart below represents the High, Average, Median and Low Gross Revenue of the franchises operating one year or longer during 2024. The chart also reflects the High, Average, Median and Low Revenue of franchises operating in 2023 for one year or longer (7).

Gross Revenue		
	2023	2024
High	\$1,270,000	\$951,414
Average	\$754,400	\$781,785
Median	\$725,000	\$784,041
Low	\$425,000	\$616,669

The source of revenue is from the unaudited financial statements. The above Annual Gross Revenue figures do not reflect the costs of sales, operating expenses or other cost and expenses that must be deducted from the Annual Gross Revenue or Gross Sales figure to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised location.

Some outlets have sold this amount. Your individual results may differ. There is no assurance that you will sell as much.

Many factors, including location, management capabilities, local market conditions and other factors, are unique to each business and may significantly impact the financial performance of your franchised business.

Historical costs do not necessarily correspond to future costs because of factors such as pandemics, inflation, changes in minimum wage laws, location, financing, construction costs, lease-related costs such as rent, CAM charges, taxes, interest, insurance and utilities vary from franchised business to franchised business. All information should be evaluated in light of current market conditions including such cost and price information as may then be available.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, we do not make 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 the Franchise Administration Department at 500 Southland Drive, Suite 224, Birmingham, AL 35226, (833) 227-3324, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

TABLE 1
Systemwide Outlet Summary
For 2022, 2023 and 2024

Outlet Type	Year	Outlets at the Start of Year	Outlets at the End of Year	Net Change
Franchised	2022	4	5	+1
	2023	5	9	+4
	2024	9	8	-1
Company-Owned*	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	2022	4	5	+1
	2023	5	9	+4
	2024	9	8	-1

TABLE 2
Transfers of Outlets from Franchisees to New Owners
(Other than the Franchisor)
For 2022, 2023 and 2024

State	Year	Number of Transfers
Total	2022	0
	2023	0
	2024	0

TABLE 3
Status of Franchised Outlets
For 2022, 2023 and 2024

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations –Other Reasons	Outlets at End of Year
Alabama	2022	2	1	0	0	0	0	3
	2023	3	1	0	0	0	0	4
	2024	4	0	0	0	0	0	4
Florida	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Mississippi	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Tennessee	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	1	0

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations –Other Reasons	Outlets at End of Year
Texas	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Total	2022	4	1	0	0	0	0	5
	2023	5	4	0	0	0	0	9
	2024	9	0	0	0	0	1	8

TABLE 4
Status of Company – Owned Outlets
For 2022, 2023 and 2024

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
None	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

TABLE 5
Projected Openings As Of December 31, 2024

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
Ohio	0	1	0
Texas	0	1	0
Totals	0	2	0

Exhibit “B” lists the name of our current franchisees and the addresses and telephone number of each of their outlets as of date of issuance.

Exhibit “C” lists the name, city and state, and current business telephone number, or if unknown, the last known home telephone number for each franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who did not communicate with us within ten (10) weeks of the disclosure document issuance date.

If you buy this franchise, your contact information may be disclosed to other buyers if you leave the franchise system. No franchisees signed any confidentiality clauses during the last three (3) fiscal years.

There are no trademark specific franchisee organizations associated with the franchise system being offered.

ITEM 21

FINANCIAL STATEMENTS

Attached as Exhibit “A” is our Audited Financial Statement for the period December 31, 2024, December 31, 2023 and December 31, 2022.

ITEM 22

CONTRACTS

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

Exhibit “E”	Form of Key-Employee Manager Confidentiality Agreement
Exhibit “G”	Form of Franchise Agreement
	Exhibit “G-Three” State Amendment to Franchise Agreement
Exhibit “H”	Form of Conditional Assignment of Telephone numbers and Listings
Exhibit “I”	Form of Conditional Assignment and Assumption of Leases
Exhibit “J”	Form of Principal Owner’s Guaranty
Exhibit “L”	Form of Confidentiality, Non-Solicitation and Non-Competition Agreement for Franchise Agreement
Exhibit “N”	State Specific and Other Addenda and Riders
Exhibit “O”	Form of Release

ITEM 23

RECEIPTS

See Exhibit “P” for detachable receipts.

EXHIBIT “A” TO THE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

OF

YOUR CHOICE SENIOR CARE FRANCHISING, LLC



**Your Choice Senior Care Franchising LLC
Audited Financial Statements**

For the Year Ended December, 31, 2024

YOUR CHOICE SENIOR CARE FRANCHISING LLC

Table of Contents December 31, 2024

	<u>PAGE(S)</u>
FINANCIAL SECTION	
Independent Auditor's Report	FS.1 - FS.2
Balance Sheet	FS.3
Income Statement	FS.4
Statement of Cash Flows	FS.5
Notes to Financial Statements	FS.6 - FS.7
Management Letter Comments	FS.8



8219 West Atlantic Boulevard
Coral Springs, FL 33071
(954) 768-6620

Independent Auditor's Report

To the members and owners of
Your Choice Senior Care Franchising, LLC
1034 Highland Park
Birmingham, AL 35242

Opinion

We have audited the accompanying financial statements of Your Choice Senior Care Franchising, LLC (a privately held company), which comprise the balance sheet as of December 31, 2024, and the related statement of income, changes in shareholders equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Your Choice Senior Care Franchising, LLC as of December 31, 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Basis for Opinion

We conducted our audit 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 independent of Your Choice Senior Care Franchising, LLC in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United States, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 these financial statements in accordance with U.S. GAAP, 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 responsible for assessing Your Choice Senior Care Franchising, LLC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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 a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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.

As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.
- 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 the company's internal control.
- 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 on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KMS Financial Consulting

Coral Springs, Florida
April 30, 2025

YOUR CHOICE SENIOR CARE FRANCHISING LLC

Balance Sheet
As of December 31, 2024

	<u>2024</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 137,480
Undeposited Funds	18,622
Due from affiliates	52,295
Total assets	<u><u>208,397</u></u>
Liabilities	
Current liabilities	
Accounts payable	2,650
Accrued expenses	24,740
Total liabilities	<u>27,390</u>
Equity	
Total equity	<u>181,007</u>
	<u><u>\$ 208,397</u></u>

See accompanying notes to financial statements.

YOUR CHOICE SENIOR CARE FRANCHISING LLC
Income Statement
For the period January through December, 2024

	2024
Operating Revenues	
Royalties	\$ 278,769
Other income	505
Total Revenues	<u>279,274</u>
Operating Expenses	
Advertising	3,177
Answering Service	2,280
Bad Debts	3,700
Bank Charges & Fees	98
Contractor Labor	76,465
Fuel	2,649
Insurance	2,866
Interest Paid	23
Supplies	815
Legal & Professional Services	25,166
Marketing	70,163
Meals & Entertainment	7,513
Medical	13,723
Member's Reunion	5,266
Office Supplies & Software	13,681
Parking	129
Payment processing fees	3,642
Rent	7,150
Repairs & Maintenance	1,073
Shipping, Freight, Delivery & Post	295
Training	9,586
Travel	6,633
Total Operating Expenses	<u>256,093</u>
Net Income	<u><u>\$ 23,181</u></u>

See accompanying notes to financial statements

YOUR CHOICE SENIOR CARE FRANCHISING LLC
Statement of Cash Flows
For the year ended December 31, 2024

	<u>2024</u>
Cash flows from operating activities	
Reconciliation of net income to net cash provided by operating activities	
Net Income	<u>\$ 23,181</u>
Adjustments to reconcile operating income to net cash provided by operating activities	
Accounts receivable	2,000
Clearing	(2,000)
Accounts payable	2,650
Accrued expenses	17,670
Net cash provided by operating activities	<u>43,501</u>
Cash flows from investing activities	
Loans to affiliates	157,000
Net cash used for investing activities	<u>157,000</u>
Cash flows from financing activities	
Partners loans	(60,000)
Distributions	(246,510)
Partners equity	163,451
Net cash used for financing activities	<u>(143,059)</u>
Net change in cash	57,442
Cash, beginning of year	80,038
Cash, end of year	<u>\$ 137,480</u>

See accompanying notes to financial statements

Your Choice Senior Care Franchising LLC
Notes to Financial Statements
December 31, 2024

NOTE 1 – ORGANIZATION AND NATURE OF THE BUSINESS

Your Choice Senior Care Franchising, LLC (the Organization) is a privately held company engaged in the franchising delivering premier in-home care service experience to its clients. The Organization's revenues are derived from franchise fees and royalty income from agreements with franchisees. It was headquartered in Birmingham, Alabama and was founded in 2019.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The accompanying financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The financial statements include the operations, assets, and liabilities of the Organization. In the opinion of the Organization's management, the accompanying financial statements contain all adjustments, consisting of normal recurring accruals, necessary to fairly present the accompanying financial statements.

Use of Estimates: The preparation of financial statements and related disclosures in conformity with U.S. GAAP 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 differ from those estimates. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the period in which they are determined to be necessary.

Cash and Cash Equivalents: Cash and cash equivalents include cash on hand and in banks.

Revenue Recognition: Revenue is recognized when services are performed, and the Organization has satisfied its performance obligation under its customer agreements.

Income Tax: The Organization does not incur income taxes; instead, its earnings are included in the partners' personal income tax returns and taxed depending on their personal tax situations. The financial statements, therefore, do not include a provision for income taxes.

NOTE 3 – CASH AND CASH EQUIVALENT

As of December 31, 2024, the Organization maintained cash balances of \$137,480 in a U.S. bank account.

NOTE 4 – UNDEPOSITED FUNDS

Undeposited funds represent cash, checks, and other forms of payment received by the Organization as of December 31, 2024, that had not yet been deposited into the entity's bank account. These amounts are recorded as a component of current assets and are considered cash equivalents for financial reporting purposes. Management monitors undeposited funds regularly to ensure timely deposit and safeguard of cash receipts.

As of December 31, 2024, the balance of undeposited funds totaled \$18,622.

Your Choice Senior Care Franchising LLC
Notes to Financial Statements
December 31, 2024

NOTE 5 – RELATED PARTY TRANSACTIONS

The Organization engaged in transactions with related parties during the year which are controlled by the owner of Your Choice Senior Care Franchising LLC. Management believes that these transactions were conducted at arm's length terms.

NOTE 6 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through April 30, 2025, which is the date these financial statements were available to be issued. No events have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in, the accompanying financial statements.

Management Letter Comments

2024-01 Untimely Bank Reconciliations

Observation

During our audit, we noted that bank reconciliations are not being performed on a regular basis. Failure to perform timely bank reconciliations increases the risk of undetected errors, misstatements, or fraudulent activity. It may also result in inaccurate cash balances being reported in the financial statements and hinder effective cash management.

Recommendation

We recommend that management implement procedures to ensure that all bank accounts are reconciled to the general ledger on a monthly basis. These reconciliations should be prepared by a responsible individual and reviewed by someone independent of the cash handling process to strengthen internal controls over cash.

Management Response

Management acknowledges the recommendation and will take it into consideration. The company will review its cash management practices and explore available options to mitigate potential risks.

Your Choice Senior Care Franchising, LLC

**Audited Financial Statements
For the year ended**

December 31, 2023

Kevin Norton, P.A.
Certified Public Accounting
1451 W. Cypress Creek Road, Suite 300
Ft. Lauderdale, Florida 33309
(954) 822-1223

Mar 13, 2024

Your Choice Senior Care Franchising, LLC

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of Your Choice Senior Care Franchising, LLC which comprise the consolidated balance sheet as of December 31, 2023 and the related consolidated statements of income, comprehensive income, changes in members' equity and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 United States of America. 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 entity'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 consolidated financial position of Your Choice senior Care Franchising, LLC. as of December 31, 2023 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Respectfully submitted,

Kevin J Norton

Kevin Norton, C.P.A.

Your Choice Senior Care Franchising, LLC

TABLE of CONTENTS

Independent Auditor's Report	1
Financial Statements:	
Balance Sheet	2
Statement of Income and Retained Earnings	3
Statement of Cash Flows	4
Notes to Financial Statements	5

Your Choice Senior Care Franchising, LLC
STATEMENT OF INCOME AND RETAINED EARNINGS
For the period ended December 31,

	2023	2022	2021
REVENUE:			
Revenues - Royalties	\$ 351,034	\$ 251,266	\$ 261,120
Other Income	2,012	1,490	
Total Revenues	\$ 353,046	\$ 252,756	\$ 261,120
Cost of Sales	\$ -	\$ -	\$ -
Gross Profit	\$ 353,046	\$ 252,756	\$ 261,120
EXPENSES:			
Advertising & Marketing	69,003	43,316	32,724
Auto	1,821	2,035	1,535
Professional Fees	17,128	8,859	9,885
Meals & entertainment	3,554	3,175	4,227
Office	8,688	2,055	2,390
Travel & hotel	2,956	2,867	9,601
Insurance	14,557	12,417	8,462
General & Administrative	5,949	5,304	15,366
Rent	7,800	9,100	11,500
Contractors	85,501	-	-
Total Expenses	\$ 216,957	\$ 89,128	\$ 95,690
Net Income from Operations	\$ 136,089	\$ 163,628	\$ 165,430
Other Income & Expense (Bad Debt)	\$ (61,556)	\$ -	\$ -
Net Income	\$ 74,533	\$ 163,628	\$ 165,430
<u>Statement of Equity</u>			
Capital	\$ 57,650	\$ 57,650	\$ 94,195
Retained earnings - beginning	\$ 84,442	\$ 36,402	\$ 40,620
Net Income from Operations	\$ 74,533	\$ 163,628	\$ 165,430
Prior Period Adjustments	\$ 25,046	\$ (16,606)	\$ (24,453)
Distributions	\$ -	\$ (98,982)	\$ (145,195)
Retained earnings - ending	\$ 184,021	\$ 84,442	\$ 36,402
Members Equity	\$ 241,671	\$ 142,092	\$ 130,597

See accompanying Auditor's Report
The Notes are an integral part of these financial statements.

Your Choice Senior Care Franchising, LLC**STATEMENT OF CASH FLOWS**

For the period ended December 31,

	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income	\$ 74,533	\$ 163,628	\$ 165,430
Depreciation and amortization	-	-	-
(Increase) decrease in Accounts Receivable	13,218	32,197	-
(Increase) decrease in Loans Receivable	3,458	(3,458)	
Increase (decrease) in Current Payables	-	(1,568)	3,163
Increase (decrease) in Loans Payables	20,000		
Cash Received from Operating Activities	111,209	190,799	168,593
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed Assets	-	-	-
Prior Period Adjustments	25,046	(16,606)	(24,453)
Loans Payable	(119,301)	(50,000)	
	(94,255)	(66,606)	(24,453)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital	-	(36,546)	51,411
Distributions	-	(98,982)	(145,195)
	-	(135,528)	(93,784)
INCREASE IN CASH	16,954	(11,335)	50,356
CASH - Beginning	73,796	85,131	34,775
CASH - Ending	\$ 90,750	\$ 73,796	\$ 85,131

See accompanying Auditor's ReportThe Notes are an integral part of these financial statements.

Your Choice Senior Care Franchising, LLC
CONSOLIDATED BALANCE SHEET
At December 31,

	2023	2022	2021
<u>ASSETS</u>			
CURRENT ASSETS:			
Cash	\$ 90,750	\$ 73,796	\$ 85,131
Accounts Receivable	3,585	16,803	49,000
Loan Receivable	-	3,458	-
Total Current Assets	94,335	94,057	134,131
FIXED ASSETS			
Fixed Assets - Net	-	-	-
	-	-	-
OTHER ASSETS			
Other Assets - Loans Receivable	169,301	50,000	
	169,301	50,000	-
Total Assets	\$ 263,636	\$ 144,057	\$ 134,131
<u>LIABILITIES AND MEMBERS EQUITY (LOSS)</u>			
LIABILITIES:			
Accounts payable	\$ 1,966	\$ 1,966	\$ 3,534
Loan payable	20,000		
Total Liabilities	21,966	1,966	3,534
MEMBERS' EQUITY:			
Capital	57,649	57,649	94,195
Retained Earnings	184,021	84,442	36,402
Members Equity	241,670	142,091	130,597
Total Liabilities and Members Equity	\$ 263,636	\$ 144,057	\$ 134,131

See accompanying Auditor's Report
The Notes are an integral part of these financial statements.

Your Choice Senior Care Franchising, LLC

Notes to The Consolidated Financial Statements December 31, 2023

Note 1 – Summary of Significant Accounting Policies

Nature of Business...

Your Choice Senior Care Franchising, LLC (The Company) is a Alabama based company engaged in the business of selling franchises to the general public. The company was organized in 2019.

Basis of Presentation...

The financial statements have been presented on the accrual basis of accounting and in accordance with United States generally accepted accounting principles.

Use of Estimates...

The preparation of the Company's financial statements are made in conformity with generally accepted accounting principles that require estimates and assumptions that affect revenues and expenses, assets and liabilities. Actual results could differ from those estimates, and such estimates could be material.

Revenue Recognition...

The Company recognizes revenue from various sources of revenue including service fees, contracts, advertising, franchise fees and royalties. Revenues from such sources are recognized as earned upon the completion of work performed. Initial franchise fees are recognized upon the completion of all contractual requirements (or Deferred Revenue until completed), with subsequent other revenues being predominantly classified as royalty fees. ASC 606 was considered and determined, in coordination with management, to have no material effect on revenues in 2023.

Customer Deposits...

The Company will be maintaining an account called Customer Deposits for the collection of funds from pending franchisees that are in the process of completing all pertinent requirements prior to the finalization of franchise acceptance by the Company. These funds are ultimately transferred to Revenue upon satisfactory completion of the franchise process. ASC 606 has been considered regarding revenue recognition that there is no material impact. Management has determined all responsibilities have been contractually satisfied , with no pending additional requirements

Inventory...

The company maintains no physical inventory.

Cash...

The company maintains its cash balances at banks that participate with the Federal Deposit Insurance Corporation with guarantees insuring accounts with balances up to \$250,000.

Your Choice Senior Care Franchising, LLC

Notes to Financial Statements December 31, 2023

Fixed Assets...

The Company will be maintaining property, plant and equipment, and depreciates them using the straight line basis over their useful lives of 5 to 28 years.

Note 2 – Provision for Federal Income Tax:

The company has elected under the Internal Revenue Service Code to be taxed as an LLC as a “pass through” entity. In lieu of this election, all shareholders will pay tax on their proportionate share of profits / losses via a K1. Therefore, no provision for income tax has been included in these financial statements.

Note 3 – Commitments and Contingencies:

The Company has no material commitments or legal or financial contingencies to note in 2023.

Note 4 - Concentration:

The Company had no significant concentrations during 2021 that represented any material impact on its revenues.

Note 5 - Related Party Transactions:

The Company has no material related party transactions to report in 2023.

Note 6 - Financial Instruments:

Cash, money market investments, current loans payable, accounts receivable, accounts payable and accrued liabilities are all short term in nature and as such, their carrying values approximate fair values.

Note 8 – Notes Payable / Grant/ Extraordinary Income:

The Company utilized the resources available through The Covid 19 stimulus relief package. The company previously obtained a loan grant of \$4,000.

EXHIBIT “B” TO THE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES

LIST OF FRANCHISEES
(As of the December 31, 2024)

FRANCHISEE	ADDRESS	PHONE
Alabama		
Your Choice Senior Care Fairhope, LLC	21883 Hwy. 181 Fairhope, AL 36532	(251) 599-8101
YCSC Hunt Management LLC	600 Blvd South SW, Suite 104 Huntsville, AL 35802	(256) 993-2662
Jones Home Health LLC	1567 Fearnway St. Mobile, AL 36604	(251) 776-8051
Hands At Home LLC	2740 Central Pkwy., Suite 12 Montgomery, AL 36106	(334) 868-2227
Florida		
Your Choice Senior Care of Palm Beach, LLC	2000 PGA Blvd., PMB 208 Palm Beach Gardens, FL 33408	(561) 772-6996
YCSC Pen Management, LLC	321 N DE Villiers St. Suite 304 Pensacola, FL 32501	(850) 928-6580
Mississippi		
YCSC Gulf Coast MS, LLC	770 Water Street, Suite #428, Biloxi, MS 39530	(228) 447-5440
Texas		
Bonito Sol, LLC	1613 S Capital of Texas Hwy Austin, TX 78746	(737) 292-1804

LIST OF LICENSEES

Licensee*

- Heart to Home Services, LLC
500 Southland Drive, Suite 224
Birmingham, AL 35226
(205) 382-6222

*Note: Franchisor does not operate any company owned locations but an affiliate, Seniors First Choice Management, LLC has one 2018 licensed outlet in Birmingham, Alabama.

EXHIBIT “C” TO THE DISCLOSURE DOCUMENT

FRANCHISEES WHO HAVE LEFT THE SYSTEM

LIST OF FORMER FRANCHISEES

FRANCHISEE	ADDRESS	PHONE
James Ventures LLC	260 W. Main S., Suite 211 Nashville, TN 37075	(615) 684-6620

EXHIBIT “D” TO THE DISCLOSURE DOCUMENT

**FORM OF
CONFIDENTIAL OPERATING MANUAL
TABLE OF CONTENTS**

SECTION ONE: INTRODUCTION	6
Section 1.1 Welcome to Your Journey	7
Section 1.2 Our Mission.....	7
Section 1.3 Our Vision.....	7
Section 1.4 Industry Roadmap	7
Section 1.5 Industry Myths	7
SECTION TWO: SUPPORT PROVIDED TO FRANCHISEES	10
Section 2.1 Brand and Usage	11
Section 2.2 Policies and Procedure Manual.....	14
Section 2.3 Exclusive 3-Part Training Program.....	15
Section 2.4 Employee Handbook	17
Section 2.5 Short-Term and Long-Term Support	18
SECTION THREE: ESTABLISHING YOUR OPERATION	24
Section 3.1 Entity Formation	25
Section 3.2 Register for Federal Tax Id Number (FEIN)	27
Section 3.3 Obtain local business license(s)	28
Section 3.4 Establish financial accounts	31
Section 3.5 Obtain state homecare licensure	32
Section 3.6 Knowledge and adherence to Federal and state labor laws	35
Section 3.7 Acquire liability and workers compensation insurance and any other required	36
Section 3.8 Establish office space in territory.....	37
Section 3.9 Obtain necessary office equipment	37
Section 3.10 Establish dedicated communication systems	39
Section 3.11 Establish required vendor agreements.....	40
Section 3.12 Establish accounting system	42
Section 3.13 Establish secure filing system (electronic and paper)	43
Section 3.14 Obtain Medicaid and Medicare certification	45
SECTION FOUR: MARKETING/ADVERTISING.....	46
Section 4.1 Market Analysis	47
Section 4.2 Determination of Referral Sources	48
Section 4.3 Identify necessary marketing literature and collateral	52
Section 4.4 Other Advertising Options	53
SECTION FIVE: SCOPE OF SERVICES	54
Section 5.1 Services Provided	55
Section 5.2 Personal Care Services	56
Section 5.3 Homemaker Services	60
Section 5.4 Companion, Sitter Services.....	62
Section 5.5 Respite Services	64
Section 5.6 Wellness Checks	65
SECTION SIX: SERVICE DELIVERY & CLIENT CARE.....	67
Section 6.1 Service Delivery Process	68
Section 6.2 Provision of Information	69
Section 6.3 Assessing Client's Needs	71
Section 6.4 Admission of Clients.....	73
Section 6.5 Referring Individuals Not Admitted to Agency	75
Section 6.6 Re-Admission of Former Clients	77

Section 6.7 Care Plan.....	78
Section 6.8 Confirmation of Service Delivery	79
Section 6.9 Client Agreement	81
Section 6.10 Informed Consent to Plan of Care	83
Section 6.11 On-Call Services	85
Section 6.12 Client's Consent for Referral & Release of Information.....	87
Section 6.13 Monitoring & Follow-Up.....	88
Section 6.14 Advance Directives	89
Section 6.15 Death at Home	92
Section 6.16 Medication Management	95
Section 6.17 Change in Scheduled Care: Client Notification.....	103
Section 6.18 Discharge/Termination or Reduction of Client Services	104
Section 6.19 Client / Consumer Rights	106
Section 6.20 Client/Consumer & Agency Responsibilities	109
Section 6.21 Matching Clients & Caregivers	112
Section 6.22 Supervision of Services	113
Section 6.23 Entering Client's Homes	117
Section 6.24 Failure of Clients to Answer Door	118
Section 6.25 Client Emergencies	120
Section 6.26 Weather Related Emergencies.....	122
Section 6.27 Unstable Health Conditions	124
Section 6.28 Transporting Clients in Private Vehicles	126
Section 6.29 Managing Client's Finances/Property	127
Section 6.30 Assuming Legal Responsibility for Client	129
Section 6.31 Exploitation of Client's Finances & Property	130
Section 6.32 Client Abuse	131
Section 6.33 Confidentiality & Privacy of Client Information.....	134
Section 6.34 Client Satisfaction Review	136
Section 6.35 Client Complaints	138
Section 6.36 Documentation & Client Records	140
Section 6.37 Records Kept in Client's Homes	142
Section 6.38 Safeguarding Clients' Records	143
Section 6.39 Retention & Destruction of Client Records.....	144
Section 6.40 Client Access to Information	145
Section 6.41 Communicating with People with Disabilities	146
Section 6.42 Communicating with Clients with Limited English	149
Section 6.43 Restraint & Seclusion Measures.....	151
SECTION SEVEN: HUMAN RESOURCES.....	154
Section 7.1 Recruiting, Selecting & Onboarding	156
Section 7.2 Pre-Employment Background Checks.....	162
Section 7.3 Criminal Background & Sexual Offender Investigations	165
Section 7.4 Child Abuse Clearance	171
Section 7.5 Reporting Child Abuse	174
Section 7.6 Provisional Hiring	178
Section 7.7 Adverse Actions.....	180
Section 7.8 Licensure, Certification & Registration	182
Section 7.9 Personnel Qualifications	183
Section 7.10 Job Descriptions	185
Section 7.11 Classification of Workers	187
Section 7.12 Training & Development	189
Section 7.13 Orientation.....	191

Section 7.14 Personal Care Provider Training	194
Section 7.15 Homemaker Training	197
Section 7.16 Companion/Sitter Training	200
Section 7.17 Annual Training	202
Section 7.18 Staff Record of Training	204
Section 7.19 Competency Evaluation of Direct Care Workers	205
Section 7.20 Probation.....	209
Section 7.21 Performance Appraisals	211
Section 7.22 Human Rights.....	214
Section 7.23 Civil Rights/Non-Discrimination	216
Section 7.24 Equal Opportunity	219
Section 7.25 Sexual Harassment	221
Section 7.26 Cultural Diversity	224
Section 7.27 Standards of Conduct & Work Ethic	225
Section 7.28 Conflict of Interest	229
Section 7.29 Solicitation & Distribution	233
Section 7.30 Gifts, Gratuities & Courtesies	234
Section 7.31 Employee Benefits & Compensation.....	235
Section 7.32 Employee Breaks.....	239
Section 7.33 Overtime	239
Section 7.34 Statutory Holidays	241
Section 7.35 Paid Leave	242
Section 7.36 Unpaid Leave	243
Section 7.37 Dress Code	247
Section 7.38 Employee Identification Badge	248
Section 7.39 Privately-Owned & Agency Vehicles	249
Section 7.40 Drugs & Alcohol Usage.....	252
Section 7.41 Secondary Employment	255
Section 7.42 Disciplinary Action	256
Section 7.43 Termination of Employment	259
Section 7.44 Employee Complaints & Grievances	262
Section 7.45 Personnel Records	263
Section 7.46 Protection of Personnel Records	266
Section 7.47 Employee Medical Files	268
Section 7.48 Confidentiality & Non-Disclosure Information.....	269
Section 7.49 Media Inquiries	272
Section 7.50 Breast Feeding	272
Section 7.51 Agency Property.....	273
Section 7.52 Automation Systems.....	275
Section 7.53 Social Media	277
Section 7.54 Employee Personal Property	279
SECTION EIGHT: HEALTH & SAFETY	280
Section 8.1 General Health & Safety.....	282
Section 8.2 Employee Personal Safety	285
Section 8.3 Home Environment Safety	289
Section 8.4 Hazardous Household Materials.....	291
Section 8.5 Oxygen Therapy	293
Section 8.6 Violence & Threats of Violence.....	295
Section 8.7 Threats	297
Section 8.8 Assaults	299
Section 8.9 Weapons	301

Section 8.10 Bomb Threats	303
Section 8.11 Hostage Situations	305
Section 8.12 Suicide Situations	307
Section 8.13 Emergency Preparedness.....	309
Section 8.14 Fire	313
Section 8.15 Earthquake	315
Section 8.16 Hurricane	317
Section 8.17 Tornado.....	319
Section 8.18 Tsunami	322
Section 8.19 Power Outages	325
Section 8.20 Chemical Spills	328
Section 8.21 Infection Control	330
Section 8.22 Tuberculosis Control.....	334
Section 8.23 Blood-borne Diseases	340
Section 8.24 Exposure Control Plan for Blood-borne Diseases	343
Section 8.25 Reporting & Recording Exposure to Blood-borne Diseases	346
Section 8.26 Universal Precautions	349
Section 8.27 Personal Protective Equipment (PPE)	352
Section 8.28 PPE – Gloves.....	355
Section 8.29 PPE - Gowns & Aprons	358
Section 8.30 PPE – Masks & Protection Goggles.....	360
Section 8.31 Handwashing	362
Section 8.32 Sharp Objects	365
Section 8.33 Handling & Transporting Specimens	367
Section 8.34 Laundry	368
Section 8.35 Blood and Body Substance Spills	370
Section 8.36 Household Wastes	372
Section 8.37 Aseptic Techniques	375
Section 8.38 Care & Handling of Equipment	377
Section 8.39 Care of Urinary Catheters	379
Section 8.40 Hygienic Measures in the Home.....	381
Section 8.41 Food Safety	384
Section 8.42 Infectious/Communicable Diseases in the Community	387
Section 8.43 Employees with Infectious/Communicable Diseases	389
Section 8.44 Clients with Infectious/Communicable Diseases.....	392
Section 8.45 Smoking	395
Section 8.46 Pregnant Employees.....	396
Section 8.47 Immunizations	398
Section 8.48 Incident Reporting	400

Total Pages: 423

EXHIBIT “E” TO THE DISCLOSURE DOCUMENT

**FORM OF
KEY-EMPLOYEE MANAGER CONFIDENTIALITY AGREEMENT**

KEY-EMPLOYEE MANAGER CONFIDENTIALITY AGREEMENT

CONFIDENTIALITY AGREEMENT AND ANCILLARY COVENANTS NOT TO COMPETE

This Agreement is made and entered into _____, 20__, between Your Choice Senior Care Franchising, LLC, an Alabama limited liability company (“Franchisor”), and if applicable, _____ (“Franchisee”) and _____ (“Employee”).

RECITALS

WHEREAS, Franchisor, as a result of the expenditure of time, skill, and money, has developed and is continuing to develop a system (the “System”) for the development and operation of franchises under the name and Mark “Your Choice Senior Care”, (hereinafter “Business” or sometimes “Franchised Business”); and

WHEREAS, Franchisor identifies the System through certain trade names, trademarks, services marks, symbols, logos, emblems and indicia of origin, including, without limitation, the name “Your Choice Senior Care”, and other such trade names, trademarks and service marks as Franchisor may develop in the future for the purpose of identifying for the public the sources of services and products marketed under such marks and under the System and representing the System’s high standards of quality and service, all of which may be changed, improved and further developed by Franchisor from time to time (collectively, the “Trade Secrets”); and

WHEREAS, the Trade Secrets provide economic advantages to Franchisor and are not generally known to, and are not readily ascertainable by proper means by Franchisor’s competitors who could obtain economic value from knowledge and use of the Trade Secrets; and

WHEREAS, Franchisor has taken and intends to take all reasonable steps to maintain the confidentiality and secrecy of the Trade Secrets; and

WHEREAS, Franchisor has granted Franchisee a limited right pursuant to a Franchise Agreement to operate a Franchised Business using the System and the Trade Secrets for the period defined in the Franchise Agreement; and

WHEREAS, Franchisor and Franchisee have agreed in the Franchise Agreement on the importance to Franchisor and to the Franchisee and other licensed users of the System of restricting use, access and dissemination of the Trade Secrets; and

WHEREAS, it will be necessary for certain employees of Franchisee to have access to and use some or all of the Trade Secrets in the management and operation of Franchisee’s Business using the System; and

WHEREAS, Franchisee has agreed to obtain from those employees written agreements protecting the Trade Secrets and System against unfair competition; and

WHEREAS, Employee wishes to remain, or wishes to become, an employee of Franchisee; and

WHEREAS, Employee wishes and needs to receive and use the Trade Secrets in the course

of his/her employment to effectively perform his/her services for Franchisee; and

WHEREAS, Employee acknowledges that receipt of and the right to use the Trade Secrets in the course of his/her employment to effectively perform his/her services for Franchisee; and

NOW THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

Confidentiality Agreement

1. Franchisor and/or Franchisee shall disclose to Employee some or all of the Trade Secrets relating to the System.

2. Employee shall receive the Trade Secrets in confidence, maintain them in confidence and use them only in the course of his/her employment by Franchisee and only in connection with the management and/or operation by Franchisee of the Franchised Business using the System for so long as Franchisee is licensed by Franchisor to use the System.

3. Employee shall not at any time make copies of any documents or compilations containing some or all the Trade Secrets without Franchisor's express written permission.

4. Employee shall not at any time disclose or permit the disclosure of the Trade Secrets except to other employees of Franchisee and then only to the limited extent necessary to train or assist other employees of Franchisee in the management or operation of a Franchised Business using the System.

5. Any and all information, know-how, knowledge, techniques and materials made available by Franchisor or by Franchisee under the Franchise Agreement, including without limitation, specifications, guidelines, procedures, items to be offered for sale, computer software, forms and compilations of data all of which shall be deemed confidential Trade Secrets for the purposes of this Agreement.

6. Employee shall surrender the Confidential Operations Manual and such other manuals and written materials as Franchisor shall have developed ("Manual") described in the Franchise Agreement and any other written material containing some or all of the Trade Secrets to the Franchisee or Franchisor upon request, or upon termination of employment by Franchisee, or upon conclusion of the use for which the Manual or other information or material may have been furnished to the Employee.

7. Employee shall not, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the Trade Secrets and the System.

8. The Manual is loaned by Franchisor to Franchisee for limited purposes only and remains the property of Franchisor and may not be reproduced, in whole or in part, without the Franchisor's written consent.

Covenants Not to Compete:

1. To protect the goodwill and unique qualities of the System and confidentiality and value of the Trade Secrets, and in consideration for the disclosure to Employee further undertakes and covenants that while he/she is employed by Franchisee, he/she will not:

a. Divert or attempt to divert, directly or indirectly, any business, business opportunity or customer or any Franchisor business to any competitor.

b. Own, maintain, engage in or have any interest in any business (other than the Franchised Business) which is the same as or similar to the Franchised Business including, but not limited to, providing hands-on personal non-medical care, in home care, assistance and companionship care services to seniors and other adults.

2. In further consideration for the disclosure to Employee of the Trade Secrets and to protect the uniqueness of the System, Employee agrees that for two (2) years following the earlier of the expiration, termination or transfer of all Franchisee's interest in the Franchise Agreement or the termination of his/her relationship with Franchisee, the Employee will not, without prior written consent of Franchisor:

a. Divert or attempt to divert, directly or indirectly, any business, business opportunity or customer of any Franchisor business to any competitor.

b. Own, maintain, engage in or have any interest in any business which is the same or similar to the Franchised Business including, but not limited to, providing hands-on personal non-medical care, in home care, assistance and companionship care services to seniors and other adults which is located within fifty (50) miles of the Franchised Business, or provides such services to clients within fifteen (15) miles of the perimeter of any Designated Territory of any franchisee operating under the System.

3. Divulge any trade secrets or proprietary information of the Franchisor or Franchised Business.

Miscellaneous

1. Franchisee undertakes to use his/her/its best efforts to ensure that Employee acts as required by this Agreement.

2. Employee agrees that in the event of a breach of this Agreement, Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, Franchisor shall be entitled to enforce this Agreement and shall be entitled, in addition to any other remedies which are available to it at law or in equity, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

3. Employee agrees to pay all expenses (including court costs and reasonable attorney fees) incurred by Franchisor or the Franchisee in enforcing this Agreement.

4. Any failure by Franchisor or the Franchisee to object to or take action with respect to any breach of this Agreement by Employee shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Employee.

5. **EXCEPT AS STATED BELOW, EMPLOYEE HEREBY IRREVOCABLY SUBMITS HIMSELF/HERSELF TO THE JURISDICTION OF THE STATE COURTS OF THE COUNTY OF SHELBY COUNTY, ALABAMA AND THE FEDERAL DISTRICT COURT FOR THE NORTHER DISTRICT OF ALABAMA IN BIRMINGHAM, ALABAMA. EMPLOYEE HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. EMPLOYEE HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON HIM/HER IN ANY LEGAL PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY ALABAMA OR FEDERAL LAW. EMPLOYEE FURTHER**

AGREES THAT VENUE FOR ANY LEGAL OR EQUITABLE PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE SHELBY COUNTY, ALABAMA; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION FOR INJUNCTIVE OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY STATE OR FEDERAL DISTRICT COURT WHICH HAS JURISDICTION. WITH RESPECT TO ALL CLAIMS, CONTROVERSIES, DISPUTES OR ACTIONS, THIS AGREEMENT SHALL BE INTERPRETED AND CONSTRUCTED UNDER ALABAMA LAW.

6. The parties agree that each of the above 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 Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Employee expressly agrees 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 separated, stated in, and made a part of this Agreement.

7. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

8. All notices and demands required to be given hereunder shall be in writing and shall be sent by personal delivery, expedited delivery service, certified or registered mail, return receipt requested, first-class postage pre-paid or commercial airborne carrier service for next day delivery to the respective parties.

If directed to Franchisor, the notice shall be addressed to:

Your Choice Senior Care Franchising, LLC
500 Southland Drive
Suite 224
Birmingham, AL 35226

If directed to the Franchisee, the notice shall be addressed to:

If directed to the Employee, the notice shall be addressed to:

Any notices sent by personal delivery shall be deemed given upon receipt. Any notices given by commercial airborne carrier service for next day delivery shall be deemed delivered two (2) business days after being placed in the hands of the commercial airborne carrier service. Any notices sent by certified or registered mail shall be deemed given three (3) business days after the time of mailing. Any change in the above addresses shall be affected by giving fifteen (15) days written notice of such change to the other party. Business day shall be defined as any day other

than Saturday, Sunday or any recognized U.S. national holiday.

9. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and shall inure to the benefit of its successors, assigns and transferees. The respective obligations of the Franchisee and the Employee hereunder may not be assigned by the Franchisee or Employee, as applicable, without the prior written consent of Franchisor.

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by signatures below.

FRANCHISOR:

**YOUR CHOICE SENIOR CARE
FRANCHISING, LLC**

By: _____

Name: _____

Title: _____

FRANCHISEE:

EMPLOYEE:

_____ (Legal Seal)

Signature

Name: _____

EXHIBIT “F” TO THE DISCLOSURE DOCUMENT

**LIST OF STATE AGENCIES/AGENTS
FOR SERVICE OF PROCESS**

State Agencies/Agents for Service of Process		
STATE	ADDRESS	PHONE
California - Los Angeles Department of Business Oversight	320 West 4th Street, Suite 750 Los Angeles, CA 90013-1105	213-576-7500
California – Sacramento Department of Business Oversight	1515 K Street, Suite 200 Sacramento, CA 95814-4017	916-445-7205
California - San Diego Department of Business Oversight	1350 Front Street, Room 2034 San Diego, CA 92101-3697	619-525-4233
California - San Francisco Department of Business Oversight	One Sansome Street, Suite 600 San Francisco, CA 94104-4428	415-972-8565
Hawaii Commissioner of Securities	335 Merchant Street, Room 203 Honolulu, HI 96813	808-586-2722
Illinois Illinois Attorney General	500 South Second Street Springfield, IL 62706	217-782-4465
Indiana Secretary of State	200 W. Washington Street, Room 201 Indianapolis, IN 46204	317-232-6681
Maryland Administrator: Office of the Attorney General Securities Division Agent for Service of Process Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202 200 St. Paul Place Baltimore, MD 21202-2020	410-576-6360
Michigan Department of Commerce, Corporations and Securities Bureau	525 W. Ottawa Street G. Mennen Building, 1 st Floor Lansing, MI 48913	517-373-7117
Minnesota Commissioner of Commerce	85 7th Place East, Suite 280 St. Paul, MN 55101-2198	612-539-1600
New York Administrator: New York State Department of Law Investor Protection Bureau Agent for Service of Process Secretary of State	28 Liberty St., 21 st Floor New York, NY 10005 99 Washington Avenue Albany, NY 1223	212-416-8222 212-416-8211
North Dakota Securities Commissioner	600 East Boulevard Avenue, State Capital, 5th Floor Bismarck, ND 58505-0510	701-328-2910
Rhode Island Director of Department of Business Regulation	1511 Pontiac Avenue Bldg. 69-1 Cranston, RI 02920	401-462-9587
South Dakota Director of Division of Securities	124 S. Euclid Ave., Suite 104 Pierre, SD 57501-3185	605-773-4823
Virginia Clerk of the State Corporation Commission	1300 E. Main Street Richmond, VA 23219-3630	804-371-9276
Washington Director of Dept. of Financial Institutions	150 Israel Road, SW Tumwater, WA 98501	360-902-8760
Wisconsin State of Wisconsin	201 W. Washington Ave., Suite 300 Madison, WI 53703	608-267-9140

EXHIBIT “G” TO THE DISCLOSURE DOCUMENT

**FORM OF
FRANCHISE AGREEMENT**



YOUR CHOICE SENIOR CARE FRANCHISING, LLC

FRANCHISE AGREEMENT

YOUR CHOICE SENIOR CARE FRANCHISING, LLC
FRANCHISE AGREEMENT

1.	Introduction	1
1.1	Franchise Business.	1
1.2	Confirmations.	1
1.3	Representations.....	2
1.4	Business Organization and Ownership Information.....	2
2.	Grant and Term.....	3
2.1	Term.....	3
2.2	Grant.	3
2.3	Performance.....	3
2.4	Rights We Reserve.	3
2.5	Minimum Gross Revenue	4
3.	Successor Terms.....	5
3.1	Your Right to Acquire a Successor Franchise.....	5
3.2	Grant of a Successor Franchise.....	5
3.3	Agreements/Releases.....	6
3.4	Training and Refresher Programs.....	6
3.5	Subsequent Successor Franchises.....	6
3.6	Fees and Expenses.....	6
4.	Designated Territory, Site Selection and Development.....	6
4.1	Designated Territory.....	6
4.2	Lease.....	7
4.3	Ownership and Financing.....	8
5.	Franchised Business Development and Operating Assets.....	9
5.1	Development.....	9
5.2	Development Expenses.....	9
5.3	Operating Assets and Franchised Business Materials.	10
5.4	Changes to Approved Suppliers.	10
5.5	Opening.	11
6.	Fees.....	11
6.1	Franchise Fee.....	11
6.2	License Fee.....	11
6.3	Electronic Funds Transfer and Payment Procedure.....	12
6.4	Start-Up Kit.	12
6.5	Definition of “Gross Revenue”.....	12
6.6	Interest on Late Payments.....	12
6.7	Late Payment Penalties.....	13
6.8	Application of Payments.....	13
6.9	Payment Offsets.....	13
6.10	Discontinuance of Service.	13
7.	Training and Assistance.....	13
7.1	Training.	13
7.2	Ongoing Assistance.....	14

7.3	Additional Training	14
7.4	General Guidance.	14
8.	Marks.....	14
8.1	Ownership and Goodwill of Marks.	14
8.2	Limitations on Your Use of Marks.....	15
8.3	Notification of Infringements and Claims.	15
8.4	Discontinuance of Use of Marks.	15
8.5	Signage.	16
8.6	Protection Against Social Media Networking	16
8.7	Copyrights.	16
9.	Confidential Information.	16
9.1	Types of Confidential information.	16
9.2	Disclosure and Limitations on Use.....	17
9.3	Confidentiality Obligations.	17
9.4	Exceptions to Confidentiality.	18
10.	Exclusive Relationship.	18
11.	Operation and System Standards.....	18
11.1	Confidential Operating Manuals.....	18
11.2	Compliance with System Standards.	19
11.3	Modification of System Standards.....	20
11.4	Interior and Exterior Upkeep.	20
11.5	Hours of Operation.	20
11.6	Accounting, Computers and Records.	21
11.7	Computer System.	21
11.8	Trade Accounts and Taxes.....	21
11.9	Proprietary Materials.	22
11.10	Approved Products.	22
11.11	Management.	22
11.12	Personnel.	22
11.13	Insurance.....	22
11.14	Adequate Reserves and Working Capital.	24
11.15	Variation of Terms.....	24
11.16	Client Complaints.	24
11.17	Data: Ownership of Data	24
11.18	PCI Compliance and Credit Cards.....	24
11.19	Privacy Laws	25
11.20	Your Purchases	25
11.21	Your Protection of Personally Identifiable Information	25
12.	Marketing and Promotion.....	26
12.1	Establishment of Marketing and Technology Fund.....	26
12.2	Local Advertising.	28
12.3	Directory Listings.	28
12.4	Websites.....	28
12.5	Grand Opening Advertising.....	29
13.	Records, Reports and Financial Statements.....	30
13.1	Accounting System.....	30
13.2	Reports.....	30

13.3	Access to Information.....	30
13.4	Copies of Reports.	31
14.	Inspections and Audits.....	31
14.1	Our Right to Inspect the Franchised Business.....	31
14.2	Our Right to Audit.....	31
15.	Transfer.....	31
15.1	By Us.....	31
15.2	By You.....	32
15.3	Conditions for Approval of Transfer.....	32
15.4	Transfer to a Business Entity.....	33
15.5	Transfer Upon Death or Disability.....	34
15.6	Operation Upon Death or Disability.....	34
15.7	Effect of Consent to Transfer.....	34
15.8	Our Right of First Refusal.....	35
16.	Termination of Agreement.....	36
16.1	By Us.....	36
16.2	Your Failure to Pay Constitutes Your Termination of This Agreement.....	37
16.3	Cross-Default.....	38
16.4	Options Prior to Termination.....	38
17.	Rights and obligations Upon Termination.....	38
17.1	Payment of Amounts Owed to Us.....	38
17.2	Marks and De-Identification.....	38
17.3	Confidential Information.....	40
17.4	Competitive Restrictions.....	40
17.5	Our Right to Purchase.....	40
18.	Relationship of the Parties/Indemnification.....	42
18.1	Independent Contractors.....	42
18.2	No Liability for Acts of Other Party.....	42
18.3	Taxes.....	42
18.4	Indemnification.....	42
19.	Enforcement.....	43
19.1	Severability and Substitution of Valid Provisions.....	43
19.2	Waiver of Obligations.....	43
19.3	Franchisee May Not Withhold Payment Due Franchisor.....	44
19.4	Force Majeure.....	44
19.5	Governing Law.....	44
19.6	Binding Effect.....	44
19.7	Construction.....	45
19.8	Judicial Enforcement, Injunction and Specific Performance.....	45
19.9	Mediation.....	45
19.10	Arbitration.....	46
19.11	Third Party Beneficiaries.....	46
19.12	Class Claims.....	47
19.13	Entire Agreement.....	47
19.14	Certain Definitions.....	47
19.15	Time Is of the Essence.....	47
19.16	Anti-Terrorism Compliance.....	47
19.17	Our Withholding of Consent Your Exclusive Remedy.....	48

19.18 Notices.....	48
20. Spousal Consent.	48

EXHIBITS

Exhibit “G-One”	Zip Codes or Map of the Designated Territory
Exhibit “G-Two”	Spousal Consent
Exhibit “G-Three”	State Required Amendment to Franchise Agreement

YOUR CHOICE SENIOR CARE FRANCHISING, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the “Agreement”) is effective as of the ____ day of _____, 20__ (the “Agreement Date”). The parties to this Agreement are Your Choice Senior Care Franchising, LLC, An Alabama Limited Liability Company, with its principal business address at 500 Southland Drive, Suite 224, Birmingham, AL 35226 (referred to in this Agreement as “Franchisor,” “we,” “us” or “our”), and _____, whose principal business address is _____ (referred to in this Agreement as “Franchisee,” “you” or “your”).

1. Introduction.

1.1 Franchised Business.

We and our affiliate have expended considerable time and effort in developing a system that is owned by Franchisor, relating to the establishment, development and operation of a business providing hands-on personal non-medical care, in-home care assistance and companionship care services to seniors and other adults. We operate under the Marks (defined below) and under distinctive business formats, methods, procedures, designs, layouts, equipment, trade dress, standards and specifications, all of which we may improve, further develop or otherwise modify from time to time (collectively, the “System”).

We use, promote and license certain trademarks, services marks and other commercial symbols in the operation of our Franchised Business, including the trade name, trademarks and service marks “Your Choice Senior Care” and other associated designs, artwork and trade dress, which have gained and continue to gain public acceptance and goodwill, and we may create, use and license additional trademarks, service marks and commercial symbols in conjunction with the operation of the Franchised Business (collectively, the “Marks”). We grant to persons who meet our qualifications and are willing to undertake the investment and effort, a franchise to own and operate a Your Choice Senior Care franchise offering the products and services we authorize and approve and utilize the System. You have applied for a franchise to own and operate one Franchised Business.

1.2 Confirmations.

You confirm and agree that:

a. you understand and accept the terms, conditions and covenants contained in this Agreement as being necessary to maintain our high standards of quality and service and the uniformity of those standards at each Franchised Business and to protect and preserve the goodwill of the Marks;

b. you have conducted an independent investigation of the business venture contemplated by this Agreement and recognize that, like any other business, the nature of the business conducted by the Franchised Business may evolve and change over time;

c. in all of their dealings with you, our officers, directors, employees and agents act only in a representative, and not in an individual, capacity. All business dealings between you and such person as a result of this Agreement are solely between you and us; and

d. we have provided to you a copy of our Franchise Disclosure Document at least 14 calendar days prior to the execution of the Franchise Agreement or our receipt of any consideration from you.

1.3 Representations.

You represent to us, as an inducement to our entry into this Agreement, that all statements you have made and all materials you have submitted to us in connection with your purchase of the franchise are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the franchise. We have approved your request to purchase a franchise partially in reliance on all of your representations.

1.4 Business Organization and Ownership Information.

If you have obtained our prior approval and Franchisee is a corporation, partnership, limited liability company or other form of legal entity, Franchisee and the owners agree, represent, and warrant and covenant that:

a. you have the authority to execute, deliver and perform your obligations under this Agreement and are duly organized or formed and validly existing in good standing under the laws of the state of your incorporation or formation;

b. your organizational or governing documents will recite that the issuance and transfer of any ownership interests by you are restricted by the terms of this Agreement, and all certificates and other documents representing ownership interests in you will bear a legend referring to the restrictions of this Agreement;

c. Franchisee shall provide to Franchisor prior to the execution of this Agreement, true and correct copies, as applicable, of Franchisee's articles of incorporation, by laws, partnership agreement, articles of organization and limited liability company operating agreement or limited liability agreement and other governing documents and amendments thereto, as well as resolutions of the Board of Directors, partners or members authorizing entry into and performance of this Agreement. During the term of this Agreement, Franchisee shall promptly provide to Franchisor true and correct copies of any amendments or other changes to such governing documents. No such documents shall contain any provision that is contrary to or inconsistent with any provision of this Agreement;

d. you and your owners agree to revise the Principal Owner's Statement as may be necessary to reflect any ownership changes and to furnish such other information about your organization or formation as we may request (no ownership changes may be made without our approval, which shall not be unreasonably withheld);

e. a Principal Owner of the Business Entity (with ownership of at least 10% of its voting securities) must: (i) have management responsibility and authority over the Franchised Business on a day-to-day basis; (ii) oversee the Franchised Business operations; (iii) be bound by our then-current form of Confidentiality Agreement (or other form satisfactory to us); and (iv) satisfactorily complete our initial training program and any other training programs we request during the term.

f. each of your owners during the term of this Agreement will sign and deliver to us our standard form of Principal Owner's Guaranty undertaking to be bound jointly and severally by all provisions of this Agreement and any other agreements between you and us. A copy of our current form of Principal Owner's Guaranty is attached to the Franchise Disclosure Document. The

spouse of each of your owners will execute a spousal consent in the form attached hereto as Exhibit G-Two.

2. Grant and Term.

2.1 Term.

The term of the Franchise and this Agreement begins on the Agreement Date and expires 10 years from the Agreement Date. This Agreement may be terminated before it expires in accordance with its terms.

2.2 Grant.

Subject to the terms of and upon the conditions contained in this Agreement, we grant you a franchise (the "Franchise") to: (a) operate one Franchised Business in the Designated Territory set forth and described in Exhibit G – One attached hereto and made a part hereof, and in no other territory (temporary or permanent); (b) use the Marks solely in connection with operating the Franchised Business; and (c) use the System in its operation. Except as set forth in Paragraph 2.4 and its sub-paragraphs below, as long as you are in compliance with this Agreement, we will not grant a franchise to anyone else to operate, or ourselves operate, a Franchised Business within the Designated Territory.

2.3 Performance.

You agree that you will at all times faithfully, honestly and diligently perform your obligations, continuously exert your best efforts to promote and enhance the Franchised Business and not engage in any other business or activity that conflicts with your obligations to operate the Franchised Business in compliance with this Agreement. You may not operate the Franchised Business from any location other than in the Designated Territory without our prior written consent. At all times, either you or one of your Principal Owners must meet our qualifications for management responsibility and authority over the operations of the Franchised Business. In addition, at all times the Franchised Business must be managed by a general manager who has satisfactorily completed our Initial Training program.

2.4 Rights We Reserve.

Notwithstanding any of the foregoing, we (and our affiliate) retain the right in our sole discretion to:

a. establish, and grant to other franchisees the right to establish, franchises anywhere outside the Designated Territory, on such terms and conditions as we deem appropriate (even immediately outside the border of the Designated Territory), but not within the Designated Territory set forth in this Agreement and you continue to operate under it;

b. operate, and grant franchises to others to operate businesses, whether inside or outside the Designated Territory, specializing in the sale of products or provisions of services, other than a Competitive Business or a franchise business, using certain of the Marks and pursuant to such terms and conditions as we deem appropriate;

c. operate, and grant franchises to others to operate businesses or provide other services, whether inside or outside the Designated Territory, that do not use any of the Marks; and

d. 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 “Your Choice Senior Care ” operating under the Marks or any proprietary marks or any of their marks following our purchase, merger, acquisition or affiliation, regardless of the location of these facilities (which you acknowledge may be within the “Designated Territory” or proximate thereto, or proximate to any of the Franchisee’s locations).

We will have the right to assign this agreement, and all of its rights and privileges under this agreement, to any person, firm, corporation or other entity.

You agree and affirm that we may sell ourself, our assets, Marks or other proprietary marks and/or our System 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; 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 Franchisor’s name(s), Marks, proprietary marks (or any variation thereof) and system and/or the loss of association with or identification of “Your Choice Senior Care” as Franchisor under this Agreement. You specifically release 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.

If we assign our rights in this Agreement, nothing herein shall be deemed to require us to remain in the same or similar business or any business which we now conduct or to offer to sell any items, products or services to you.

2.5 Minimum Gross Revenue.

Franchisee must achieve minimum gross revenue each 12 months of the following amounts:

First Calendar Year	\$250,000
Second Calendar Year	\$400,000
Third Calendar Year	\$600,000
Fourth Calendar Year	\$800,000
Fifth Calendar Year	\$950,000
Sixth Calendar Year	\$1,000,000
Seventh Calendar Year	\$1,200,000
Eighth Calendar Year	\$1,300,000
Ninth Calendar Year	\$1,400,000
Tenth Calendar Year	\$1,500,000

Failure to achieve the minimum gross revenue each calendar year will be a default of the Franchise Agreement. We may in our sole discretion, but are not required to:

- a. Terminate the Franchise Agreement; or
- b. Reduce the Protected Territory to a size and magnitude that we in our sole discretion and judgement, determine.

3. Successor Terms.

3.1 Your Right to Acquire a Successor Franchise.

This Agreement expires 10 years from the Agreement Date. Upon expiration, if you (and each of your owners) have substantially complied with this Agreement during its term, and provided that:

a. you agree to expand the Franchised Business, add or make replacements of or to, any improvements, equipment, computers, software, System components, and otherwise modify the Franchised Business as we require to bring it into compliance with specifications and standards then applicable for our franchises; or

b. if you are unable to maintain possession of the office site, or if in our judgment the Franchised Business should be relocated, you secure substitute premises accepted by us, you develop such premises in compliance with specifications and standards then applicable for the Franchised Business and continue to operate the Franchised Business at the Site until operations are transferred to the substitute premises, then, subject to the terms and conditions set forth in this Section 3, you will have the privilege to apply for successor franchises to operate the Franchised Business as a Franchised Business (“Successor Franchise”), for one (1) additional ten (10) year period on the terms and conditions of the franchise agreement we are then using in granting Successor Franchises for Franchised Businesses, which may contain materially different terms and conditions than this Agreement.

3.2 Grant of a Successor Franchise.

a. Your Election: You agree to give us written notice of your election to acquire a Successor Franchise during the first 90 days of the 9th year of this Agreement or during the first 90 days of the 9th year of the term of the 10-year Successor Franchise. We agree to give you written notice (“Response Notice”), not more than 90 days after we receive your notice, of our decision:

- (i) to grant you a Successor Franchise;
- (ii) to grant you a Successor Franchise on the condition that deficiencies of the Franchised Business, or in your operation of the Franchised Business are corrected; or
- (iii) not grant you a Successor Franchise based on our determination that you and your owners have not substantially complied with this Agreement during its term.

b. Response Notice: If applicable, our Response Notice will:

(i) describe the remodeling (if applicable) and/or expansion of the Franchised Business and other improvements or modifications required to bring the Franchised Business into compliance with the applicable specifications and standards for Franchised Businesses; and

(ii) state the actions you have to take to correct operating deficiencies and the time period in which such deficiencies must be corrected.

If we elect not to grant a Successor Franchise, the Response Notice will describe the reasons for our decision. Your right to acquire a Successor Franchise is subject to your continued compliance with all of your terms and conditions of this Agreement through the date of its expiration, in addition to your compliance with the obligations described in the Response Notice.

c. **Deficiencies:** If our Notice states that you must cure certain deficiencies of the Franchised Business or its operation as a condition to the grant of a Successor Franchise, we will give you written notice of a decision not to grant a Successor Franchise unless you cure such deficiencies, not less than 90 days prior to the expiration of this Agreement. However, we will not be required to give you such notice if we decide not to grant you a Successor Franchise unless the state law of your Designated Territory requires notice of our decision not to grant a Successor Franchise then in that event, we will provide notice at least 90 days prior to the expiration of this Agreement, if such notice is required. We may extend the term of this Agreement for such period of time as is necessary in order to provide you with either reasonable time to correct deficiencies or 90 days' notice of our refusal to grant a Successor Franchise.

d. **Decision Not to Grant:** If we decide not to grant a Successor Franchise then in that event, we will provide notice at least 90 days prior to the expiration of this Agreement, if such notice is required. We may extend the term of this Agreement for such period of time as is necessary in order to provide you with either reasonable time to correct deficiencies or 90 days' notice of our refusal to grant a Successor Franchise.

3.3 Agreements/Releases.

If you satisfy all of the other conditions to the grant of a Successor Franchise, you and your owners agree to execute the form of franchise agreement and any ancillary agreements we are then customarily using in connection with the grant of Successor Franchises. You and your owners further agree to execute general releases, in the form attached to the Franchise Disclosure Document, of any and all claims against us and our shareholders, officers, directors, employees, agents, successors and assigns. Failure by you or your owners to sign such agreements and releases and deliver them to us for acceptance and execution within 60 days after their delivery to you will be deemed an election not to acquire a Successor Franchise.

3.4 Training and Refresher Programs.

Our grant of a Successor Franchise is also conditioned on the satisfactory completion by you (or and Operating Partner of yours approved by us) of any new training and refresher programs as we may reasonably require. You are responsible for travel, living and compensation costs of attendees.

3.5 Subsequent Successor Franchises.

The fees and other conditions for any later granting of subsequent Successor Franchises will be governed by the Successor Franchise agreement (then in existence).

3.6 Fees and Expenses.

Our grant of a Successor Franchise is also conditioned on your payment to us of a Successor Fee of \$10,000 at the end of the term. We must receive the fee from you when you sign the Successor Franchise Agreement.

4. Designated Territory, Site Selection and Development

4.1 Designated Territory.

a. Franchisor may in its sole discretion, grant you a franchise to operate a Franchised Business within the Designated Territory described in Exhibit "G-One".

b. You may not perform any business, nor services, or actively market for customers geographically located outside your Designated Territory described in Exhibit “G-One”. If you request, and we approve your request in writing, to service customers in territories outside your Designated Territory described in Exhibit “G-One”, and subsequently withdraw our approval or award a Franchise to another franchisee whose Designated Territory includes customers that you have been servicing, all information regarding these customers is to be immediately transferred to us. In addition, you will immediately discontinue any and all solicitation of customers in said geographical area and will refer any request for service outside your Designated Territory to the franchisee who has acquired the Franchise for the geographical area. You will receive no compensation for the cessation of service or delivery of information we require from you and your failure to comply with our written notice requiring cessation and customer transfer is a default under this Franchise Agreement and may result in the termination of the Franchise Agreement.

c. Franchisee must achieve the minimum gross revenue specified hereafter:

1. First Calendar Year -	\$ 250,000
2. Second Calendar Year -	\$ 375,000
3. Third Calendar Year -	\$ 500,000
4. Fourth Calendar Year -	\$ 650,000
5. Fifth Calendar Year -	\$ 750,000
6. Sixth Calendar Year -	\$ 900,000
7. Seventh Calendar Year -	\$ 1,000,000
8. Eighth Calendar Year -	\$ 1,100,000
9. Ninth Calendar Year -	\$ 1,200,000
10. Tenth Calendar Year -	\$ 1,250,000

If you fail to meet gross revenue requirements, we may reduce your Designated Territory or terminate your Franchise Agreement.

4.2 Lease.

4.2.1 Lease of Site:

You agree that if you are entering into a lease you must enter into an acceptable lease agreement for the approved site within 180 days from the execution of this Franchise Agreement. In order for us to accept the lease, you agree to deliver copies of the proposed lease agreement and related documents to us prior to signing them. You agree not to sign any lease agreement or related documents (or any renewal of it) unless we have previously approved them. Our approval, which will not be unreasonably withheld, will be limited to ensuring that the lease is consistent with this Agreement. If we approve the lease, you agree to deliver a copy of the signed lease to us within 15 days after its execution along with the Lease Assignment.

4.2.2 Lease Assignment:

When entering into such a lease, you and the lessor must sign our then-current form of Conditional Assignment and Assumption of Lease Agreement (the “Lease Assignment”). You will give the lessor our form of the Lease Assignment when you begin discussions with the prospective lessor. You agree not to sign any lease or renewal of a lease unless you have also obtained the Lease Assignment signed by the lessor.

4.2.3 Mandatory Lease Terms:

We may require that the lease or any renewal contain certain provisions, including the following:

(i) a provision which expressly permits the lessor of the Site to provide us with all revenue and other information lessor may have related to the operation of your Franchised Business as we may request;

(ii) a provision which requires the lessor to contemporaneously provide us with copies of any written notice of default under the lease sent to you and which grants to us, at our option, the right (but not the obligation) to cure any default under the lease (should you fail to do so) within 15 days after the expiration of the period in which you may cure the default;

(iii) a provision which evidences your right to display the Marks in accordance with the specifications required by the, Confidential Operating Manual subject only to the provisions of applicable law;

(iv) a provision which requires that any lender or other person will not disturb your possession of the Site so long as the lease term continues and you are not in default (along with such documents as are necessary to ensure that such lenders and other persons are bound);

(v) a provision which expressly states that any default under the lease which is not cured within any applicable cure period also constitutes grounds for termination of this Agreement;

(vi) a lease term which is at least equal to the initial term of this Agreement, either through an initial term of that length or right, at your option, to renew the lease for the full term of this Agreement; and

(vii) the premises must be operated as a Franchised Business.

4.2.4 No Warranty:

You acknowledge that our approval of the lease for the Site does not constitute a guarantee or warranty, express or implied, of the successful operation or profitability of a franchised business operated at the Site. Such approval indicates only that we believe that the Site and the terms of the lease fall within the acceptable criteria we have established as of the time of our approval. You further acknowledge that we have advised you to have an attorney review and evaluate the lease.

4.3 Ownership and Financing.

Instead of leasing a Site, you may propose to purchase, construct, own and operate a Franchised Business on real property owned by you or through an affiliate. You must meet certain conditions if you or an affiliate own a Site or at any time prior to acquisition, or subsequently, you or your affiliates propose to obtain any financing with respect to the Site or for your Franchised Business or for any Operating Assets in which any of such items are pledged as collateral securing your performance. The form of any purchase contract with the seller of a Site and any related documents, and the form of any loan agreement with or mortgage in favor of any lender and any related documents, must be approved by us before you sign them. Our consent to them may be conditioned upon the inclusion of various terms and conditions, including the following:

a. a provision which requires any lender or mortgagee concurrently to provide us with a copy of any written notice of deficiency or default under the terms of the loan or mortgage sent to you or your affiliates or the purchaser;

b. a provision granting us, at our option, the right (but not the obligation) to cure any deficiency or default under the loan or mortgage (should you fail to do so) within 15 days after the expiration of a period in which you may cure such default or deficiency; and

c. a provision which expressly states that any default under the loan or mortgage, if not cured within the applicable time period, constitutes grounds for termination of this Agreement and any default under this Agreement, if not cured within the applicable time period, also constitutes a default under the loan or mortgage.

5. Franchised Business Development and Operating Assets.

5.1 Development.

You are obligated to have prepared all required construction plans and specifications to suit the shape and dimensions of the Site and to ensure that such plans and specifications comply with applicable ordinances, building codes and permit requirements and with lease requirements and restrictions. You agree to submit construction plans and specifications to us for approval before construction of the Franchised Business is commenced and, at our request, submit all revised or “as built” plans specifications during the course of such construction. We may require that an architect designated by us oversee the finished plans before construction begins. At your request, to the extent we deem necessary, we will assist you in developing Franchised Business by recommending contractors and architects and otherwise furnishing information to assist you in developing the Franchised Business in accordance with our specifications.

5.2 Development Expenses.

You agree, at your own expense, to do the following with respect to developing the Franchised Business at the Site:

a. have complete and detailed construction drawings approved by an architect (both the drawings and your architect are subject to our approval);

b. secure all financing required to develop and operate the Franchised Business;

c. obtain all building, utility, sign, health, sanitation, business and other permits and licenses required to construct and operate the Franchised Business and pay all assessed impact fees;

d. construct all required improvements to the Site and decorate the Franchised Business in compliance with the plans, specifications and schedule we have approved;

e. purchase or lease and install all Operating Assets required for the Franchised Business; and

f. purchase an opening inventory of authorized and approved products, materials and supplies.

5.3 Operating Assets and Franchised Business Materials.

You agree to acquire all services, supplies, materials, products for use in connection with your franchised business (collectively, the “Franchised Business Materials”) and all fixtures, furnishings, equipment, signs and electronic or computerized devices and services (including computers, POS, e-mail, internet services, hardware and software) (the “Operating Assets”) from suppliers we have previously approved. We will only approve suppliers whose Materials and Operating Assets meet the quality standards that we establish from time to time. You agree to only place or display at the Site (interior and exterior) such signs, emblems, lettering, logos and display materials that we periodically approve. We may require that you purchase or lease Operating Assets and “Franchised Business Materials” through any form of a “business to business,” e-commerce, Internet supply network that we may designate, establish or participate in from time to time. You also agree that we or our agents, at any reasonable time, may remove any Operating Asset from Franchised Business Materials, without compensation to you, if such Operating Assets are deemed by us or our agents to not be approved for use at Franchised Business or be deemed to be a public health and/or safety risk. In the event such Operating Asset is removed, we may replace such Operating Asset or make arrangements to have such Operating Asset Serviced, repaired and/or cleaned at your expense. Any expense we incur will be due and payable by you to us upon demand.

5.4 Changes to Approved Suppliers.

If you want to propose a new supplier of Franchised Business Materials or Operating Assets, you agree to submit the supplier to us, on our “Supplier Approval Form,” and at the time you submit the “Supplier Approval Form”, provide us sufficient written information about the proposed new supplier to enable us to approve or reject either the supplier or the particular item and to be responsible for any expenses incurred in the process by us or you. We will have 30 days from receipt of the information to approve or reject the proposed new supplier or items. We may consider in providing such approval not just the quality standards of the products or services, but their delivery capabilities, financing terms and ability to service our franchise system as a whole. We may terminate or withhold approval of any Franchised Business Materials or Operating Assets, or any supplier of such item that do not meet our quality standards by giving you written notice. If we do so, you agree to immediately stop purchasing from such supplier or using such Franchised Business Materials or Operating Assets in your Franchised Business until we notify you that such supplier or such Franchised Business or Operating Assets meet our quality standards. At our request, you agree to submit to us sufficient information about a proposed supplier and samples of the proposed Franchised Business Materials or Operating Assets for our examination so that we can determine whether they meet our quality standards. We also have the right to require our representatives to be permitted to inspect the proposed supplier’s facilities at your expense. We reserve the right, at our option, to re-inspect or re-test from time to time the facilities and products, Operating Assets or other items of any approved supplier and to revoke approval upon a supplier’s failure to meet any of our then-current criteria. Nothing hereinabove shall be construed to require us to approve any particular supplier. Your failure to comply with the provisions of Paragraph 5.5 shall be deemed a material breach under this Agreement. We have and reserve the right to receive compensation or other consideration from approved suppliers and service providers based on our or our franchisees’ purchases from these suppliers and on our designating the supplier as an approved supplier even if these suppliers include these fees in their prices to us or our franchisees.

5.5 Opening.

You agree not to open the Franchised Business for business until:

- a.** we approve the Franchised Business as developed in accordance with our specifications and standards;
- b.** pre-opening training of you and your personnel has been completed to our satisfaction including operator certification at our training facility or an approved training site;
- c.** the Franchise Fee and all other amounts then due to us have been paid;
- d.** we have been furnished with copies of all insurance policies required by this Agreement, or such other evidence of insurance coverage and payment of premiums as we request or accept;
- e.** we have received signed counterparts of all required documents pertaining to your acquisition of the Site;
- f.** if we, in our sole discretion approve you to be a business entity, we have received your Articles of Incorporation, Partnership Agreements and/or other organizational documents; and
- g.** any pre-opening marketing requirements have been completed to our satisfaction.

You agree to commence construction of (or remodeling in the case of your purchase of an existing building) the Franchised Business within 60 days after the date of this Franchise Agreement. You also agree that time is of the essence and except for unavoidable delay or failure to perform [Force Majeure] you must complete all Site Selection, Development and Opening obligations within 120 days from the date of this Franchise Agreement.

6. Fees.

6.1 Franchise Fee.

You agree to pay us a nonrecurring and nonrefundable initial franchise fee (the “Franchise Fee”) in the amount of \$45,000, payable on the Agreement Date. The Franchise Fee is nonrefundable and is fully earned by us when paid.

6.2 License Fee.

You agree to pay us a License Fee in the amount of 5% of your Franchised Business weekly Gross Revenue. We must receive the License Fee on or before the Payment Day of each week for the immediately preceding week. Provided, however, if after ninety (90) days from the execution of the Franchise Agreement the weekly License Fee fails to meet or exceed Two Hundred Dollars (\$200.00) (“Minimum Weekly License Fee”), then Franchisee must pay Franchisor a weekly License Fee equal to the Minimum Weekly License Fee of Two Hundred Dollars (\$200.00) for such weekly period.

6.3 Electronic Funds Transfer and Payment Procedure.

We require you to pay all payments of the License Fee or any other amounts due us under this Agreement to us by electronic funds transfer. We will designate the day of each week (the “Payment Day”) for the License Fee payment or payment of other amounts due us under this Agreement. We may designate different Payment Days for different amounts due us under this Agreement (e.g. License Fee, Marketing and Technology Fund fee, etc.). You agree to comply with the procedures we specify in our Confidential Operating Manual and perform such acts and sign and deliver such documents as may be necessary to accomplish payment by this method. You will give us authorization, in a form that we designate, to initiate debit entries or credit correction entries to the Franchised Business bank operating account (the “Account”) for payments of License Fees, Marketing and Technology Fund fees and other amounts due under this Agreement, including any applicable interest charges. You will make the funds available in the Account for withdrawal by electronic transfer no later than the Payment Day. The amount actually transferred from the Account to pay weekly continuing License Fees, Marketing and Technology Fund fees will be based on Gross Revenue reported to us. If you have not reported the Franchised Business Gross Revenue for any reporting period, we will transfer from the Account an amount calculated in accordance with our reasonable estimate of the Franchised Business Gross Revenue during any such reporting period, provided, however that the minimum amount will be five hundred dollars (\$500) per week that we will debit if you have not reported Gross Revenue in the reporting period. If we determine at any time that you have under-reported Gross Revenue or underpaid License Fees or other amounts due to us, we will be authorized to immediately initiate a transfer from the Account in the appropriate amount in accordance with the foregoing procedures, including applicable interest and late charges. Any overpayment will be credited to the Account through a credit, effective as of the first reporting date after you and we determine that such credit is due. A fee of one hundred dollars (\$100) per occurrence will be due to us for each insufficient electronic funds transfer.

6.4 Start-Up Kit.

Upon execution of the Franchise Agreement, you must pay us a Start-up Kit fee of \$4,000 consisting of 2,500 rate cards, 1,000 business cards, 1,000 brochures, 500 heart magnets, 250 folders, 10 sheets of marketing stickers and templates and logos on the thumb drive. The cost of the start-up kit is payable upon execution of the Franchise Agreement, is nonrefundable and deemed fully earned upon payment.

6.5 Definition of “Gross Revenue”.

As used in this Agreement, the term “Gross Revenue” means all revenue you bill/invoice (whether or not collected), plus all amounts you derive, from operating the Franchised Business, including, but not limited to all services and products sold, all amounts that you charge, invoice or receive from any activities or services whatsoever, including any that are in any way associated with the Marks, and whether from cash, check, barter, credit or debit card or credit transactions; but excluding (1) all federal, state or municipal sales, use or service taxes collected from clients and paid to the appropriate taxing authority and (2) customer refunds, adjustments, credits, and allowances actually made by the Franchised Business.

6.6 Interest on Late Payments.

All amounts which you owe us will bear interest after their due date at the annual rate of 18% or the highest contract rate of interest permitted by law, whichever is less. You acknowledge that we

do not agree to accept any payments after they are due nor commit to extend credit to, or otherwise finance your operation of, the Franchised Business. Your failure to pay all amounts when due constitutes grounds for termination of this Agreement, as provided in Section 16 of this Agreement.

6.7 Late Payment Penalties.

All License Fees, Marketing and Technology Fund fees, amounts due for purchases by you from us, and any interest accrued thereon, and any other amounts which you owe us, or our affiliate, are subject to a late payment fee of 10% of the amount due. The late payment fee is due immediately on any delinquent payments. The provision in this Agreement concerning late payment fees survives termination or expiration of this Agreement and does not mean that we accept or condone late payments, nor does it indicate that we are willing to extend credit to, or otherwise finance the operation of, your Franchised Business.

6.8 Application of Payments.

Notwithstanding any designation you might make, we have sole discretion to apply any of your payments to any of your past due indebtedness to us. You acknowledge and agree that we have the right to set off any amounts you or your owners owe us against any amounts we might owe you or your owners.

6.9 Payment Offsets.

We may set off from any amounts that we may owe you any amount that you owe to us for any reason whatsoever, including without limitation, License Fees, Marketing and Technology Fund fees, late payment penalties and late payment interest, amounts owed to us for purchases or services or for any other reason. Thus, payments that we make to you may be reduced, in our discretion, by amounts that you owe to us from time to time. In particular, we may retain any amounts that we have received for your account as a credit and payment against any amounts that you may owe to us at any time. We will notify you monthly if we do so.

6.10 Discontinuance of Service.

If you do not pay amounts due to us timely under this Agreement, we may discontinue any services to you, without limiting any of our other rights in this Agreement.

7. Training and Assistance.

7.1 Training.

Before the Franchised Business opens, we or our designee will furnish the initial one hundred and sixteen (116) hour training program ("Initial Training") to the majority owner and/or operating partner, general manager, assistant manager, and operating manager, (the "Operating Manager"). The Operating Manager of the Franchised Business must successfully and fully complete the Initial Training and pass the training certificate process (the "Training Certificate") conducted at a location we designate. Although we, or our designee, will furnish the Initial Training to the Operating Manager, or Franchisee at no additional fee or other charge, you will be responsible for all travel and living expenses which the Operating Manager and/or approved employees incur in connection with the training. Franchisee must pay us a fee in the amount of \$350 per day for each replacement Trainee trained by us, or our designee, or each person provided the Initial Training by us, or our designee, other than the initial trainees.

7.2 Ongoing Assistance.

We will provide continuing advisory assistance to you in the operation, and promotion of the Franchised Business as we deem necessary. We, or our designee, will also provide additional or refresher training programs for you and your employees as we deem appropriate. We will provide you, from time to time with advice and materials concerning techniques of managing and operating the Franchised Business. At your request, we may provide additional or refresher training in form and content as we deem appropriate available at your Franchised Business or at other locations we designate for an additional fee (the "Additional Training Fee") at the rate of \$350 per day plus travel and living expense, minimum of one (1) day charge.

7.3 Additional Training.

If, at any time after the Franchised Business opens, you hire additional management personnel or replace one or more of your Operating Partners, you must ensure that such new employees are satisfactorily trained and certified at an approved training location at your expense. You agree to furnish meals to our, or our designee's, training personnel during the time when your Franchised Business is in operation when they are at your Franchised Business, at no cost to us. We may require the Trainees and/or other previously trained and experienced managers or employees to attend periodic refresher training courses at such times and locations that we designate. You must pay to us, or our designee, the Additional Training Fee set forth in Paragraph 7.2.

7.4 General Guidance.

We will advise you from time to time regarding the operation of the Franchised Business based upon reports you submit to us or inspections we make. In addition, we will furnish guidance to you with respect to:

- a. standards, specifications and operating procedures and methods utilized by the Franchised Business;
- b. purchasing required fixtures, furnishings, equipment, signs, products, materials and supplies;
- c. scheduling caregivers;
- d. use of suppliers, approved products, volume buying;
- e. advertising and marketing programs;
- f. employee training; and
- g. administrative, bookkeeping and accounting procedures.

Such guidance will, at our discretion, be furnished in our Confidential Operating Manual, bulletins or other written materials and/or during telephone consultations and/or additional training.

8. Marks.

8.1 Ownership and Goodwill of Marks.

Your right to use the Marks is derived solely from this Agreement and limited to your

operation of Franchised Business at the approved Site pursuant to and in compliance with this Agreement and all System Standards we prescribe from time to time during its term. Your unauthorized use of the Marks will be a breach of this Agreement and an infringement of our rights in and to the Marks. You acknowledge and agree that your usage of the Marks and any goodwill established by such use will be exclusively for our benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate the Franchised Business in compliance with this Agreement). All provisions of this Agreement apply to any additional proprietary trade and service marks and commercial symbols we authorize you to use.

8.2 Limitations on Your Use of Marks.

You agree to use the Marks as the sole identification of the Franchised Business, except that you agree to identify yourself as the independent owner in the manner we prescribe in the Confidential Operating Manual or otherwise. We may place a conspicuous notice at a place we designate in your Franchised Business identifying you as its independent owner and operator. You agree not to remove, destroy, cover or alter that notice without our prior consent. If you do not do so, we may accomplish the notice or identification as we see fit, and you agree to reimburse us for doing so. You may not use any Mark as part of any corporate or legal business name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos we license to you), or in any modified form, nor may you use any Mark in connection with any social media networking, including but not limited to, any postings on a social media site or social media network sites nor with the performance or sale of any unauthorized services or products or in any other manner we have not expressly authorized in writing. No Mark may be used in any advertising concerning the transfer, sale or other disposition of the Franchised Business or an ownership interest in you. You agree to display the Marks prominently in the manner we prescribe at the Franchised Business, on supplies or materials we designate and in connection with forms and advertising and marketing materials. You agree to give such notices of trade and service mark registrations as we specify and to obtain any fictitious or assumed name registrations required under applicable law.

8.3 Notification of Infringements and Claims.

You agree to notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any claim by any person of any rights in any Mark, and you agree not to communicate with any person other than us, our attorneys and your attorneys in connection with any such infringement, challenge or claim. We have sole discretion to take such action as we deem appropriate and the right to control exclusively any litigation, U.S. Patent and Trademark Office proceeding or any other administrative proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Mark. You agree to sign any and all instruments and documents, render such assistance and do such acts and things as, in the opinion of our attorneys, may be necessary or advisable to protect and maintain our interests in any litigation or Patent and Trade Mark Office or other proceeding or otherwise to protect and maintain our interests in the Marks.

8.4 Discontinuance of Use of Marks.

If we deem it advisable at any time in our sole control for us and/or you to modify or discontinue the use of any Mark and/or use one or more additional or substitute trade or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We will not be obligated to reimburse you for any direct or indirect loss, including loss of revenue attributable to any modified or discontinued Mark or for any expenditure you make to promote a modified or substitute trademark or service mark.

8.5 Signage.

Your signage must comply with all state and local laws, ordinances and any covenants agreed to within your lease, you must limit your signage to “**Your Choice Senior Care**”. The use of any other language is forbidden. If you employ any signage that does not comply with this Agreement, you will be in material breach of this Agreement. The signage must also incorporate the specific letter style/color and curvature associated with “Your Choice Senior Care” logo or other mark or logo we may, in our sole discretion, designate in writing from time to time. You must not use a sign that deviates from the standard logo unless and until you have submitted a request for such deviation to us in writing with drawings and we have approved such deviation in writing.

8.6 Protection Against Social Media Networking.

You understand and agree that you are strictly prohibited from promoting or using the Marks in any manner on any social and/or networking websites, including but not limited to Facebook, LinkedIn, My Space, Twitter, Instagram, Vine, Tumblr, and Snapchat, or any other platform, including but not limited to any online advertising, digital marketing and sponsorships, without our prior written consent.

8.7 Copyrights.

All right, title and interest in and to all materials, artwork, and designs used with the Marks or in association with the System are our sole and exclusive property and cannot be replaced or replicated either during or after this Agreement. You have no right to make any direct or indirect use of Copyright Materials except as permitted under this Agreement.

9. Confidential Information.

9.1 Types of Confidential information.

We possess (and will continue to develop and acquire) certain confidential information (the “Confidential Information”) relating to the development and operation of the Franchised Business which includes (without limitation):

- a. the System and the know-how related to its use;
- b. plans, specifications, size and physical characteristics of the Franchised Business;
- c. site selection criteria;
- d. methods in obtaining licensing and meeting regulatory requirements;
- e. sources, design and methods of use of equipment, forms, materials, supplies, websites, Internet, “business to business” or “business to customer” networks or communities and other e-commerce methods of business;
- f. any marketing (including but not limited to websites, online advertising, social media marketing or presence, digital marketing and sponsorships), advertising and promotional programs for the Franchised Business;
- g. staffing and delivery methods and techniques for personal services;

- h.** the selection, testing and training of managers caregivers and personnel for Franchised Business;
- i.** the recruitment, qualification and investigation methods to secure caregivers;
- j.** any computer software we make available in the future or recommend for the Franchised Business;
- k.** methods, techniques, formats, specifications, procedures, information and systems related to and knowledge of and experience in the development, operation, advertising, marketing and franchising of the Franchised Business;
- l.** knowledge of specifications for and identities of and suppliers of certain products, materials, supplies, furnishings and equipment;
- m.** electronic information, computer files, documents, records and data; and
- n.** pricing recommendations, purchase agreement and contracts.

9.2 Disclosure and Limitations on Use.

We will disclose much of the Confidential Information to you and personnel of the Franchised Business by furnishing the Confidential Operating Manual to you and by providing training, guidance and assistance to you. In addition, in the course of the operation of your Franchised Business, you or your employees may develop ideas, concepts, methods, techniques or improvements (“Improvements”) relating to your Franchised Business or the System, which you hereby agree to disclose to us. We will be deemed to own the Improvements, and the Improvements will constitute Confidential Information. We may use the Improvements and authorize you and others to use them in the operation of Franchised Business or any other aspect of the System.

9.3 Confidentiality Obligations.

You agree that your relationship with us does not vest in you any interest in the Confidential Information other than the right to use it in the development and operation of your Franchised Business as we see fit, and that the use or duplication of the Confidential Information in any other business would constitute an unfair method of competition. You acknowledge and agree that the Confidential Information is proprietary, includes trade secrets belonging to us, and is disclosed to you or authorized for your use solely on the condition that you agree, and you therefore do agree, that you:

- a.** will not use the Confidential Information in any other business or capacity;
- b.** will maintain the absolute confidentiality of the Confidential Information during and after the term of this Agreement;
- c.** will not make unauthorized copies of any portion of the Confidential Information disclosed via electronic medium, in written form or in other tangible form, including, for example, the Confidential Operating Manual; and
- d.** will adopt and implement all reasonable procedures we may prescribe from time to time to prevent unauthorized use or disclosure of the Confidential Information, including restrictions on disclosure to your employees and the use of nondisclosure and noncompetition

agreements we may prescribe for employees or others who have access to the Confidential Information.

9.4 Exceptions to Confidentiality.

The restrictions on your disclosure and use of the Confidential Information will not apply to the following:

a. disclosure or use of information, processes, or techniques which are generally known and used in the business (as long as the availability is not because of a disclosure by you), provided that you have first given us written notice of your intended disclosure and/or use; and

b. disclosure of the Confidential Information in judicial, administrative or arbitration proceedings when and only to the extent you are legally compelled to disclose it, provided that you have first given us the opportunity to obtain an appropriate protective order or other assurance satisfactory to us that the information required to be disclosed will be treated confidentially.

10. Exclusive Relationship.

You acknowledge and agree that we would be unable to protect Confidential Information against unauthorized use or disclosure or to encourage a free exchange of ideas and information among franchisees of Franchisor if franchisees were permitted to hold interests in or perform services for a Competitive Business (defined below). You agree that, during the term of this Agreement, neither you nor any of your owners (nor any of your or your owners' spouses or children) will:

a. have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business, other than the Franchised Business;

b. have any direct or indirect controlling interest as a disclosed or beneficial owner in a Competitive Business, wherever located; or

c. perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business, wherever located,

The term "Competitive Business" as used in this Agreement means any business or facility owning, operating or managing, or granting franchises or licenses to others to do so, which provides hands-on personal non-medical care, in-home care, assistance and companionship care services to seniors and other adults (other than a Franchised Business operated under a franchise agreement with us).

11. Operation and System Standards.

11.1 Confidential Operating Manuals.

During the term of this Agreement, we will allow you access, in electronic or in another format we designate, to our manuals (the "Manuals"), consisting of such materials that we generally furnish to franchisees from time to time for use in operating a Franchised Business. The Manuals contain mandatory and suggested specifications, standards, operating procedures and rules ("System Standards") that we prescribe from time to time for the operation of a Franchised Business and information relating to your other obligations under this Agreement and related agreements. You agree to follow the System Standards and other standards, specifications and operating procedures

we establish periodically for the System that are described in the Manuals. We also reserve the right to make the Manuals accessible to you on-line via computer systems or other electronic formats (like Internet, CD-ROM, websites or e-mail). You also must comply with all updates and amendments to the System as described in newsletters or notices we distribute, including via computer systems e.g., internet, CD or other media we select. Any form of the Manuals we make accessible to you on-line will be deemed our Confidential Information. You agree to maintain the Manuals as confidential and maintain the information in the Manuals as secret and confidential. The Manuals may be modified, updated and revised (in written or electronic format) by us from time to time to reflect changes in System Standards. You agree to keep your copy of the Manuals, if any, current and in a secure location at the Franchised Business. In the event of a dispute relating to its contents, the master copy of the Manuals we maintain at our principal office will be controlling. However, in the event we utilize on-line Manuals, the most recent on-line Manuals will control any disputes between the on-line version and printed copies of the Manuals. You may not at any time copy, duplicate, record or otherwise reproduce any part of the Manuals. If your copy of the Manuals is lost, destroyed or significantly damaged, you agree to obtain a replacement copy at our then applicable charge (unless we have made on-line Manuals accessible to you. If so, you may utilize the on-line Manuals instead of purchasing other printed Manuals.)

11.2 Compliance with System Standards.

You acknowledge and agree that operating and maintaining the Franchised Business according to System Standards is essential to preserve the goodwill of the Marks and all Franchised Businesses. Therefore, you agree at all times to operate and maintain the Franchised Business according to all of our System Standards, as we periodically modify and supplement them. Although we retain the right to establish and periodically modify System Standards that you have agreed to maintain, you retain the right to and responsibility for the day-to-day management and operation of the Franchised Business and implementing and maintaining System Standards at the Franchised Business. If you fail to implement, maintain, and/or comply with System Standards, we may terminate your right to operate the Franchised Business, and/or take other actions to enforce the System Standards.

As examples, and without limitation, System Standards may regulate any one or more of the following:

- (1) all in-home care services, including but not limited to, home visits and assessments;
- (2) recommended or suggested staffing levels and client service standards for the Franchised Business; identifying the Franchised Business's personnel; and recommended or suggested employee qualifications, training, dress, and appearance (although you have a sole responsibility and authority concerning employee selection and promotion, employment records, work schedules, discipline, hours worked, rates of pay and other benefits, work assigned, and working conditions);
- (3) sales, marketing (including but not limited to websites, online advertising, social media marketing or presence, digital marketing and sponsorships), advertising, and promotional programs and materials and media used in these programs;
- (4) use and display of the Marks at the Franchised Business and on signs, contracts, products and supplies;
- (5) days and hours of operation;

(6) participation in market research and testing and product and service development programs as well as participation in, and dues assessed for, advisory councils;

(7) accepting credit and debit cards, other payment systems, and check verification services;

(8) participation in, and compliance with, private and government-sponsored insurance and reimbursement programs;

(9) bookkeeping, accounting, data processing, and recordkeeping systems and forms; formats, content, and frequency of reports to us of sales, revenue, financial performance, and condition; and giving us copies of tax returns and other operating and financial information concerning the Franchised Business;

(10) any other aspects of operating and maintaining the Franchised Business that we determine to be useful to preserve or enhance the efficient operation, image, or goodwill of the Marks and Senior Helpers Home Care Businesses.

You agree that System Standards we prescribe in the Operations Manual, or otherwise communicate to you in writing or another tangible form (for example, via a System Online Site), are part of this Agreement as if fully set forth within its text. All references to this Agreement include all System Standards as periodically modified.

11.3 Modification of System Standards.

We may periodically modify System Standards, which may accommodate regional or local variations as we determine. Such modifications may obligate you to invest additional capital in the franchised business (“Capital Modifications”) and/or incur higher operating costs. However, such modifications will not alter your fundamental status and rights under this Agreement. We will not obligate you to make any Capital Modifications when such investment cannot in our reasonable judgment be amortized during the remaining term of this Agreement, plus all eligible successor periods, unless we agree to extend the term of your franchise so that such additional investment, in our reasonable judgment, may be amortized; unless such investment is necessary in order to comply with applicable laws. We agree to give you up to 90 days to comply with Capital Modifications we require. However, if a Capital Modification requires an expenditure of more than \$20,000 we agree to give you up to 180 days from the date such request is made to comply with such Capital Modification. You are obligated to comply with all modifications to System Standards, including Capital Modification, within the time period we specify.

11.4 Interior and Exterior Upkeep.

You agree at all times to maintain Franchised Business interior and exterior and the surrounding area in the highest degree of cleanliness, orderliness and sanitation and comply with requirements regarding the upkeep of Franchised Business established in the Manuals and by federal, state and local laws.

11.5 Hours of Operation.

Unless we have otherwise approved in advance in writing, you agree to operate the Franchised Business during the days and hours specified in your Operations Manual. For any day the Franchised Business is not open, except as permitted hereinabove, you will be charged \$250 per day unless you have obtained, in writing, permission from us to close for the day(s) not permitted hereinabove. Any amount owed hereinabove will be due and payable upon demand to us and such

amount due may be collected by us through electronic funds transfer.

11.6 Accounting, Computers and Records.

It is your responsibility to obtain accounting services and any required hardware or software related to them. You will at all times maintain the records reasonably specified in the Manuals, including, without limitation, sales, inventory and expense information. To the extent we require support for accounting software used by you, such support will only be provided with respect to the accounting software then used by us.

11.7 Computer System.

You agree to use in developing and operating the Franchised Business the computer equipment and operating software (and related training and periodic software support) (the “Computer System”) that we periodically specify. We may require you to obtain specified computer hardware or software and may modify specifications for and components of the Computer System from time to time. You may also be required to pay the vendor a monthly service fee for the software used in your Franchised Business. Our modifications and specifications for components of the Computer System may require you to incur cost to purchase, lease or license new or modified computer hardware or software and to obtain service and support for the Computer System during the term of this Agreement. You agree to incur such costs in connection with obtaining the computer hardware and software comprising the Computer System (any additions or modifications). Within 60 days after you receive notice from us, you agree to obtain the components of the Computer System that we designate and require. We have the right to charge you for any computer usage costs that we incur as a result of your use of the Computer System. The Computer System must be capable of connecting with our Computer System so that we can review the results of your Franchised Business operations. We also have the right to charge you a reasonable systems fee for modifications of and enhancements made to any proprietary software that we license to you and other maintenance and support services that we or our affiliate may furnish to you related to the Computer System. You are responsible for all ISP and other connectivity related fees and costs relating to your use of the Computer System. You agree to maintain an active e-mail address at all times and inform us of it. If we adopt a different computer system, POS system or other system in the future, you must adopt it at your expense. You must maintain, modify and upgrade all such items at your sole expense and as we may require from time to time. You must provide us full 24-hour, 7-day-a-week access including online access, and the right to “upload” or “download” information to and from all POS, computer and other systems, and to the information through your computer, POS or other systems. You must use software we designate from time to time. You agree that you will not make any claim against us or our affiliates for any loss, damage, liability or expense caused by or related to failures, errors, acts, omissions, or otherwise of any computer, POS, hardware or software system.

11.8 Trade Accounts and Taxes.

You agree to maintain your trade accounts in a current status and seek to resolve any disputes with trade suppliers promptly. You agree to timely pay all taxes incurred in connection with your Franchised Business operations. If you fail to maintain your trade accounts in a current status, timely pay such taxes or any other amounts owing to any third parties or perform any non-monetary obligations to third parties, we may, but are not required to, pay any and all such amounts and perform such obligations on your behalf. If we elect to do so, then you agree to reimburse us for such amounts.

You agree to repay us immediately upon receipt of our invoice. We may also set-off the amount of any such reimbursement obligations against all amounts which we may owe you.

11.9 Proprietary Materials.

You agree to purchase from us or approved manufacturers or suppliers all items used in operating the Franchised Business, some of which bear the Marks. These items include, but are not limited to, employee clothing and items specified in the Operations Manual (collectively, the “Proprietary Materials”), at then prevailing prices, plus freight, taxes and delivery costs. The items may also include products like clothing and accessories for retail sale to clients.

11.10 Approved Products.

You agree not to sell any products or other items from the Franchised Business that we have not previously approved for sale. You agree to only use items that have been prescribed or approved (except for prices) in advance by us. You will immediately implement changes to products or services or other items requested by us.

11.11 Management.

You (or your Operating Partner) and one of your managerial employees that has satisfactorily completed our training program must assume responsibility for the Franchised Business day-to-day management and operation and supervision of the Franchised Business personnel. You or your Operating Partner must work a minimum of 40 hours per week (other than vacation periods). During all hours of operations, the Franchised Business must be under the direct supervision of you (or your Operating Partner) and a management-level employee who has satisfactorily completed our Initial Training Program or otherwise been trained by you if you have received our Training Certificate for Initial Training and meets our qualifications for a Franchised Business Manager. Each of your managerial employees must sign our Confidentiality Agreement attached to the Franchise Disclosure Document, or other agreements satisfactory to us.

11.12 Personnel.

All employees must be trained and supervised in accordance with the specifications set forth in the Manuals. All personnel must meet every requirement imposed by applicable federal, state and local law as a condition to their employment.

11.13 Insurance.

During the term of this Agreement you must maintain in force at your sole expense comprehensive public liability coverage, general liability insurance, personal injury coverage, workers’ compensation and employer’s liability insurance, professional liability insurance, employment practices liability insurance and motor vehicle liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in connection with the Franchised Business’s operation, all containing at least the minimum liability coverage we prescribe from time to time. Such insurance is in addition to any other insurance that may be required by applicable law, your landlord or otherwise. You must obtain and maintain a fidelity bond in an amount at least equal to the greater of (i) the amount required by applicable state and local laws and regulations or (ii) the amount specified in the Operations Manual. The current requirements for insurance policies and coverage that you must obtain and keep in force during the term of this Agreement include: (1) comprehensive general liability insurance with limits of at least \$1 million

per occurrence and \$3 million aggregate; (2) workers' compensation, \$1,000,000 each accident, \$1,000,000 disease (each employee) and bonding of \$10,000 per occurrence, as well as employer's liability insurance as well as other insurance that may be required by statute or rule of the state in which the Franchised Business is located and operated; (3) personal injury coverage with limits of at least \$1 million per occurrence and \$1 million aggregate; (4) property damage coverage with limits of at least \$1 million per occurrence and \$1 million aggregate; (5) professional liability coverage with limits of at least \$1 million each incident and \$3 million aggregate; (6) employment practices liability insurance with limits of at least \$25,000 per occurrence and \$2,500 deductible; and (8) automobile liability insurance, and property damage liability, including owned, non-owned, and hired vehicle coverage, with at least \$1 million general aggregate limit. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverages (including reasonable excess liability insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. These insurance policies must name us and our officers, directors, partners, members, affiliates, subsidiaries and employees as additional named insureds on all of the policies, and must provide for thirty (30) days' prior written notice to us of a policy's material modification, cancellation or expiration. Additional insured status shall include, without limitation, coverage for ongoing and completed operations. The additional insured endorsement form shall be ISO CG 20-26 or any other form that we approve in writing that provides complete coverage. Additional insured coverage shall not be limited to vicarious liability and shall extend to (and there shall be no endorsement limiting coverage for) our negligent acts, errors or omission or other additional insureds. You shall maintain such additional insured status for us on your general liability policies continuously during the term of this Agreement.

You routinely must furnish us copies of your Certificates of Insurance declarations page(s), endorsements, and other evidence (of the type and nature that we specify) that demonstrate your maintaining this insurance coverage and paying premiums. IF you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies, we may (but need not) obtain such insurance for you and the Franchised Business on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintain the insurance plus a reasonable fee for our time incurred in obtaining such insurance. We encourage you to seek advice from an independent risk management provider who may specify higher limits.

Your obligation to obtain and maintain the foregoing policy or policies in the amounts specified shall not be limited in any way by reason of any insurance that may be maintained by us, nor shall your procurement of required insurance relieve you of liability under the indemnity provisions set forth herein. Your insurance procurement obligations under this Section are separate and independent of your indemnity obligations.

You shall further carry any additional insurance covering such additional risks or providing higher limits as we may reasonably request.

If you at any time fail or refuse to maintain in effect any insurance coverage required by us, or to furnish satisfactory evidence thereof, we at our option and in addition to its other rights and remedies hereunder, may, but shall not be required to, obtain such insurance coverage on behalf of you, and you shall promptly execute any applications or other forms or instruments required to obtain any such insurance and pay to us, on demand, any costs and premiums incurred by us plus an administrative fee of 15% of the amount paid.

11.14 Adequate Reserves and Working Capital.

You must at all times maintain adequate reserves and working capital sufficient for you to fulfill all your obligations under this Agreement and to cover the risks and contingencies of the franchised business for at least three months. These reserves may be in the form of cash deposits or lines of credit.

11.15 Variation of Terms.

You acknowledge that because uniformity under many varying conditions may not be possible or practical, we reserve the right to materially vary our standards or franchise agreement terms for any franchisee, based on the timing of the grant of the franchise, the peculiarities of the particular Designated Territory or circumstances, business potential, population, existing business practices, other non-arbitrary distinctions or any other condition which we consider important to the successful operation of the Franchised Business. You will have no right to require us to disclose any variation or to grant the same or a similar variation to you.

11.16 Client Complaints.

In the event your client(s) contact(s) us to report a complaint about your Franchised Business, you agree that we may in our sole discretion, compensate your client in a manner we determine to be appropriate, and you agree to reimburse us for such compensation. Payment of such amount paid to the client (the “Client Comment Reimbursement Fee”) is due upon demand by us.

11.17 Data: Ownership of Data.

You agree that all data that you collect from clients, customers and potential clients and customers in connection with the Franchised Business (“**Customer Data**”) is deemed to be owned exclusively by us, and you also agree that all Customer Data must be added (input) into the software specified by us for your use in operating your franchise and you shall provide us all the Customer Data while this Agreement or a successor franchise agreement is in effect, but only in connection with operating the Franchised Business and only in accordance with the policies that we establish from time to time. You may not sell, transfer, or use Customer Data for any purpose other than operating the Franchised Business. We have the right to periodically specify in writing, in the Operations Manual or otherwise, the information that you must collect and maintain on the Computer System, and you agree to provide us with the reports that we may reasonably request from the data so collected and maintained. All data pertaining to, derived from, or displayed at the Franchised Business (including, without limitation, Customer Data) is and shall be our exclusive property, and we hereby grant you a royalty-free non-exclusive license to use that data during the Term of this Agreement for the sole purpose of operating your Franchised Business.

11.18 PCI Compliance and Credit Cards.

With respect to your acceptance and processing of customer payments by credit and debit cards, you agree to do all of the following:

- (1) You agree to maintain, at all times, credit-card relationships with the credit – and debit-card issuers or sponsors, check or credit verification services, financial-center services, merchant service providers, and electronic-fund-transfer systems (together, “**Credit Card Vendors**”) that we may periodically designate as mandatory.

(2) You agree not to use any Credit Card Vendor for which we have not given you our prior written approval or as to which we have revoked our earlier approval.

(3) We have the right to modify our requirements and designate additional approved or required methods of payment and vendors for processing such payments, and to revoke our approval of any service provider.

(4) You agree to comply with all of our policies regarding acceptance of payment by credit and/or debit cards, including for example minimum purchase requirements for a customer's use of a credit card (we may set these requirements in the Operations Manual).

(5) You agree to comply with our requirements concerning data collection and protection, as specified in Paragraph 11.19 above.

(6) You agree to comply with the then-current Payment Card Industry Data Security Standards as those standards may be revised and modified by the PCI Security Standards Council, LLC (see www.pcisecuritystandards.org), or any successor organization or standards that we may reasonably specify. Among other things, you agree to implement the enhancements, security requirements, and other standards that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards.

11.19 Privacy Laws.

You agree to abide by all applicable laws pertaining to the privacy of consumer, employee, and transactional information (“**Privacy Laws**”). You agree to comply with our standards and policies pertaining to Privacy Laws. If there is a conflict between our standards and policies pertaining to Privacy Laws and applicable law, you will: (i) comply with the requirements of applicable law; (ii) immediately provide us with written notice of said conflict; and (iii) promptly and fully cooperate with us and our counsel in determining the most effective way, if possible, to meet our standards and policies pertaining to Privacy Laws within the bounds of applicable law. You agree that you will not publish, disseminate, implement, revise, or rescind a data privacy policy without our prior written consent as to said policy.

11.20 Your Purchases.

We or an affiliate may derive revenue from the sale of required purchases of products, items, goods and services through mark-ups in prices charged by us or our affiliate. We or an affiliate may receive compensation and discounts from suppliers for your purchase of items. You agree that we and/or our affiliates are entitled to such fees and/or other consideration. Any monies paid to us for products, goods or services are non-refundable.

11.21 Your Protection of Personally Identifiable Information.

You must implement all administrative, physical and technical safeguards necessary to protect any information that can be used to identify an individual, including names, addresses, telephone numbers, e-mail addresses, employee identification numbers, signatures, passwords, financial information, credit card information, biometric or health data, and government-issued identification numbers ("Personal Information") in accordance with applicable laws and industry best practices. It is your responsibility entirely (even if we provide you any assistance or guidance in this regard) to confirm that safeguards you use to protect Personal Information comply with all applicable laws and industry best practices related to the collection, access, use, storage, disposal and disclosure

of Personal Information. If you become aware of a suspected or actual breach of security or unauthorized access involving Personal Information, you will notify us immediately of the breach or unauthorized access, and specify the extent to which Personal Information was compromised or disclosed, and your plans to correct and prevent any further breach or unauthorized access. You will allow us, in our sole discretion, to provide advice on the course of your corrective action.

12. Marketing and Promotion.

12.1 Establishment of Marketing and Technology Fund.

a. You agree to pay us a Marketing and Technology Fund (“Fund”) fee of 1% of your monthly Gross Revenue. We must receive the Fund fee by the fifth day of each month. We require you to pay the Fund fee by electronic funds transfer. You agree to comply with the procedures we specify in our Confidential Operations Manual and perform such acts and sign and deliver such documents as may be necessary to accomplish payment by this method. You will give us authorization in a form we designate to initiate debit entries or credit correction entries to your bank account for each month’s Fund fee payment and any interest charges due.

b. We will direct all marketing (including but not limited to websites, online advertising, social media marketing or presence, digital marketing and sponsorships), and technology programs, with sole control over the creative concepts, materials and media used in such programs, and the placement and allocation of Fund advertising. You acknowledge that the Fund is intended to further general public recognition and acceptance of the Proprietary Marks for the benefit of the Franchise System and other benefits derived from web based media Manager/Consumer website we develop or utilize. You further acknowledge that we and our designees undertake no obligation in administering the Fund to make expenditures for you which are equivalent or proportionate to your contributions, to ensure that any particular franchisee benefits directly or pro rata from the placement of advertising or to ensure that any advertising impacts or penetrates your Designated Territory. The Fund is not a trust and we are not a fiduciary with respect to the Fund.

c. The Fund may be used to meet any and all costs of administering, directing, preparing, placing and paying for national, regional or local advertising, including (without limitation): television, radio, magazine, newspaper and worldwide web/internet advertising campaigns; other advertising, marketing and public relations materials; point-of-purchase materials; consumer research, interviews and related activities; the creation, maintenance and periodic modification of the Franchise System website; reviewing any advertising material you propose to use (as provided below); search engine optimization; establishing a third party facility for customizing local advertising materials; the creative development of signage, posters; the development and creative activity associated with loyalty programs, promotions and public relations events; accounting for Fund receipts and expenditures; attendance at industry related conventions, shows or seminars; other activities that we in our business judgment believe are appropriate to enhance, promote and/or protect the Franchise System or any component thereof; and, engaging advertising agencies to assist in any or all of the foregoing activities, including fees to have print, broadcast and/or internet advertising placed by an agency, and all other advertising agency and public relations fees.

d. We need not maintain the sums paid by franchisees to the Fund, or income earned from the Fund, in a separate account from our other funds, but we may not use these amounts under any circumstance for any purposes other than those provided for in this Agreement. We may, however, expend monies from the Fund for any reasonable administrative costs and overhead that we may incur in activities reasonably related to the administration or direction of the Fund and marketing and technology programs for franchisees including, without limitation, preparing

marketing and advertising materials; working with advertising agencies, advertising placement services and creative talent; preparing an accounting of contributions to the Fund and the annual statement of Fund contributions and expenditures provided for below; and, otherwise devoting our personnel, resources and/or funds for the benefit of the Fund. Our right to expend monies from the Fund to reimburse us for such activities is exclusive of any advertising agency or public relations fees which the Fund must expend to secure the services of an advertising agency or public relations firm or to have print, broadcast or internet advertising placed by an agency.

e. Within 60 days following the close of our fiscal year, we will prepare (but not audit) a statement detailing Fund income and expenses for the calendar year just ended, a copy of which statement will be sent to you upon request.

f. We expect to expend most contributions to the Fund for advertising during the calendar year when the contributions are made. If we expend less than the total sum available in the Fund during any fiscal year, the excess amount will be carried forward to the following fiscal year to be used as provided for in subsection g. If we advance and expend an amount greater than the amount available in the Fund in any calendar year (in addition to any sum required to be expended because we did not expend all the sums in the Fund during the preceding year), we will be entitled to reimburse ourselves from the Fund during the following fiscal year for all such advanced sums, with interest payable on such advanced sums at the greater rate of 1.5% per month or the maximum commercial contract interest rate permitted by law (with interest accruing the first calendar day following the day on which we advance and expend any such sum).

g. We reserve the right to use any media, create any programs and allocate advertising funds to any regions or localities in any manner we consider appropriate in our business judgment. The allocation may include rebates to individual franchisees of some or all of their Fund contributions for local advertising expenditures if, in our judgment, our national or regional advertising program or campaign cannot effectively advertise or promote in certain regions or communities. If we determine that the total Fund contributions collected from all franchisees is insufficient to sustain a meaningful regional or national advertising campaign, we may rebate all or a portion of the Fund contributions to franchisees on a pro rata basis. Franchisees must expend any rebate on the types of local advertising and media that we determine. All rebate advertising expenditures must be documented to us in a monthly rebate advertising expenditure report form which we will furnish.

h. Although the Fund is intended to be a perpetual duration, we maintain the right to terminate the Fund, but will not do so until all of the monies in the Fund have been expended for advertising and promotional purposes.

i. The Fund will not be used for any activity whose sole purpose is the sale of franchises; provided, however, that the design and maintenance of our Web site (for which Fund monies may be used) may include information and solicitations for prospective franchisees and public relations and community involvement activities which may result in greater awareness of the Franchise brand and the franchise opportunity.

j. No location which we or our affiliate own or operate will be required to participate in or contribute to the Marketing and Technology Fund or other advertising programs provided for in this Paragraph 12.1 and sub-paragraphs thereof, unless it determines to participate in a regional or joint franchise advertisement setting forth the names, addresses and/or telephone numbers of individual locations, including those owned and operated by us or our affiliate. If we or our affiliate decide to participate in any joint or regional advertising of this type, then we or our affiliate will contribute our or its proportionate share of the cost of the advertisement to the franchisee group sponsoring the advertisement.

k. We or our designee will direct all programs financed by the Marketing and Technology Fund, with sole control over the allocation and any Internet or Intranet websites, networks or communities it operates or participate in, or which requires your participation. You agree that the Marketing and Technology Fund may be used to pay the costs associated directly or indirectly with the operation, maintenance, hosting or development of the website bearing our marks; or establishing Internet, Intranet, website or other forms of e-commerce communities, networks, systems, methods, processes, databases or monitoring systems, which may include our establishing one or more Internet or Intranet websites for purposes of: linking this Agreement; our sharing or selling information to third parties; our establishing business to business or business to customer e-commerce; promoting the development and growth of franchises or soliciting franchisees; or your reporting of License Fees, Gross Revenue or other information as we designate from time to time. The Fund may be used for defraying administrative hosting, development maintenance costs and overhead incurred by us or our designees in connection with the Marketing and Technology Fund. The Marketing and Technology Fund may periodically furnish you with samples of advertising, marketing and promotional formats and materials at no cost. Multiple copies of such materials will be furnished to you at our direct cost of producing them, plus any related shipping, handling and storage charges.

12.2 Local Advertising.

You are required to spend 2% of your Monthly Gross Revenue, as defined herein, for local advertising approved by us. You agree that all Local Advertising will comply with the standards set by us and as established in the Confidential Operations Manual. Local Advertising requirements may include, without limitation, placing a certain number and/or type(s) of media advertisements. You shall have the right, but not the obligation, to spend more than the Local Advertising requirement on local advertising. All advertising and promotional materials must be previously approved by us and you shall report all advertising expenditures to us upon our request, within ten (10) days. You agree that we shall have the right to require your local advertising be combined with one or more franchisees in an area designated by us, and we shall have the sole right to approve the media selection format.

12.3 Directory Listings.

In addition to your obligation to participate in the Marketing and Technology Fund and conduct local advertising, at your expense, you agree to obtain telephone directory listing in the online white and yellow pages as approved by us. If other franchise owners operate franchises in the market area serviced by the online directories, then you will participate in and pay your pro rata share (based on number of franchisees) of the cost of such listings and advertising.

12.4 Websites.

You acknowledge and agree that any website constitutes “advertising” under this Agreement. Any website you develop or utilize must meet all other terms and conditions for advertising described in this Agreement. For this purpose, a “website” means an interactive electronic document, contained in a network of computers linked by communications software, that you operate or authorize others to operate that refers to your Franchised Business, The Marks, us, and/or the System. The term website also includes Internet, Intranet and World Wide Web home pages or e-mail address sites. You must not establish any website without our prior written approval of its form, content and information presented due to our substantial interest in protecting the Marks, the System and the Confidential Information. We may require you to participate in a centralized website operated by us,

without any compensation to you. We may refuse to permit you to operate or establish any website. We reserve the right to establish one or more Internet, Intranet or other forms of e-commerce websites, networks or communities for purposes of: promoting the development, growth, sales and solicitation of franchises; our establishing or participating in, and requiring or authorizing your participation in, or in connection with: e-commerce; establishing purchasing, supply or referral programs, networks or communities in which you must participate; or monitoring your performance under this Agreement and other purpose we designate from time to time which we deem to promote the development and operation of the System. From time to time we will establish and notify you of our establishment of website policies and other forms of e-commerce policies, which will become part of our System Standards and be provided in the Operations Manual or other written communication by you. We own all right, title and interest in and to information compiled from, derived from or obtained by us via your or our use of websites or our establishment of an Intranet, Internet or other forms of e-commerce networks or communities. Furthermore, you agree to the following:

a. you agree that we may establish electronic links from our website to your website (if we agree that you may have your own website), and that other franchisees may establish electronic links to your website from their websites; without any compensation to you. We may prohibit you from linking any website to your website for any reason without compensation to you;

b. you must not use any mark as part of any URL domain name, Internet or e-mail address, or any other identification of you in any electronic medium or with any prefix, suffix or other modifying words, terms, designs, or symbols, or in any modified form, without our written consent;

c. if this Agreement expires or terminates for any reason, you must immediately stop using any website that utilizes any of the Marks or the System, or that are linked to any of our websites or the website of any of our franchisees. You must also then remove and change any website, domain names, Internet or Intranet addresses, e-mail addresses or other identification that utilize any of the Marks;

d. you agree to establish, maintain and notify us of your active e-mail address, and notify us of any change in your e-mail address within 3 business days of the change; and

e. you agree that we have the right (but no obligation) to develop an Intranet which we and our franchisees can communicate by e-mail or similar electronic means. If we develop an Intranet, you agree to use the facilities of the Intranet in strict compliance with the standards, protocols and restrictions that we include in the Manuals (including, without limitation, standards, protocols, and restrictions relating to encryption of confidential information and prohibitions against the transmission of libelous, derogatory or defamatory statements). We may, in our sole discretion charge a fee for Intranet usage, which fee shall be paid in accordance with our invoice or pursuant to Paragraph 6.3, through Electronic Funds Transfer.

12.5 Grand Opening Advertising.

You agree to spend any amount designated to you by us between \$500 to \$2,000 on a grand opening advertising campaign to promote the opening of your Franchised Business as directed by us. This amount must be spent comprising four (4) days before and ten (10) days after your Franchised Business opens. Your Grand Opening advertising campaign must be approved by us before you may begin it, and we may require that your campaign include promotional giveaways.

13. Records, Reports and Financial Statements.

13.1 Accounting System.

You agree to establish and maintain at your own expense a bookkeeping and recordkeeping system conforming to the requirements and formats we prescribe from time to time. You agree to use the Intuit “QuickBooks” software we designate for your accounting system. We may require you to use approved computer hardware, software and websites in order to maintain certain sales data and other information we designate from time to time. This may include the updating of Manuals and for communication purposes. You agree that we may have access to such sales data and other information through the computer system at all times.

13.2 Reports.

You agree to furnish to us on such forms that we prescribe from time to time:

- a.** following the Agreement Date, and weekly thereafter until your Franchised Business opens, a report of your progress in the development and opening of your Franchised Business;
- b.** at our request, within 5 days after their filing, copies of all sales tax returns, for the Franchised Business and copies of the canceled checks for the required sales taxes and alcohol surtaxes;
- c.** within 15 days after the end of each calendar quarter, a profit and loss statement for the Franchised Business for the immediately preceding calendar month and year-to-date and a balance sheet as of the end of such month;
- d.** within 15 days after the end of the Franchised Business fiscal year, annual profit and loss and source and use of funds statements and a balance sheet for the Franchised Business as of the end of such fiscal year; and
- e.** within 10 days after our request, exact copies of federal and state income and other tax returns and such other forms, records, books and other information we may periodically require.

We may require that any of the reports described in this Paragraph 13.2 or any information you are required to provide us under this Agreement or our System Standards be provided to us in electronic format via a secure website (internet or Intranet) at times and in the manner we designate, from time to time.

13.3 Access to Information.

You agree to verify and sign each report and financial statement in the manner we prescribe. We have the right to disclose data derived from such reports without identifying you or the location of the Franchised Business. We also have the right to require you to have reviewed or audited financial statements prepared on a calendar year (12 month) basis if we reasonably believe that the reports are incorrect. Moreover, we have the right as often as we deem appropriate (including on a daily basis) to access, electronically or otherwise, all computer registers and other computer systems that you are required to maintain in connection with the operation of the Franchised Business and to retrieve electronically or otherwise, all information (including sales, product mix, or other information) relating to the Franchised Business operations.

13.4 Copies of Reports.

You agree to furnish us with a copy of all sales, income and other tax returns relating to your Franchised Business, at our request. You will also send us copies of any sales or other reports sent to any landlord or governmental agency, at our request.

14. Inspections and Audits.

14.1 Our Right to Inspect the Franchised Business.

To determine whether you and the Franchised Business are complying with this Agreement and all System Standards, we and our designated agents have the right at any time during your regular business hours without prior notice, to:

- a. inspect the Franchised Business;
- b. observe, photograph and videotape the operations of the Franchised Business for such consecutive or intermittent periods as we deem necessary;
- c. interview personnel and clients of the Franchised Business; and
- d. inspect and copy any books, records and documents relating to your operation of the Franchised Business.

You agree to cooperate with us fully in connection with any such inspections, observations, photographing, videotaping, product removal, interviews and electronic (Internet or Intranet) record access. You agree to present to your clients such evaluation forms that we periodically prescribe and to participate and/or request your clients to participate in any surveys performed by us or on our behalf. You agree to correct or repair any unsatisfactory conditions we specify within 5 days.

14.2 Our Right to Audit.

We have the right at any time during your business hours to inspect and audit, or cause to be inspected and audited, your (if you are a Business Entity) and the Franchised Business, bookkeeping and accounting records, purchasing records, advertising and marketing records and expenditures, sales and income tax records and returns and other records. You agree to cooperate fully with our representatives and independent accountants we hire to conduct any such inspection or audit. If our inspection or audit is made necessary by your failure to furnish reports, supporting records or other information we require, or to furnish such items on a timely basis, or if the information is not accurate (i.e., your Gross Sales are understated by 2% or more), you agree to reimburse us for the cost of such inspection or audit, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board and compensation of our employees. You also must pay us any shortfall in the amounts you owe us, including late fees and interest, within 10 days of our notice. The foregoing remedies are in addition to our other remedies and rights under this Agreement and applicable law, which may include termination of this Agreement.

15. Transfer.

15.1 By Us.

This Agreement is fully transferable by us, and inures to the benefit of any transferee or other legal successor to our interests, as long as such transferee or successor agrees to be bound by, and assumes

all of our continuing obligations under, this Agreement. We may also delegate the performance of any portion or all of our obligations under this Agreement to third-party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations.

15.2 By You.

You understand and acknowledge that the rights and duties created by this Agreement are personal to you (or, if you are a Business Entity, to your owners) and that we have granted the Franchise to you in reliance upon our perceptions of your (or your owners') individual or collective character, skill, aptitude, attitude, business ability and financial capacity. Accordingly, neither this Agreement (nor any interest in it) nor any ownership or other interest in you or the Franchised Business may be transferred without our prior written approval. Any transfer without such approval constitutes a breach of this Agreement and is void and of no effect. As used in this Agreement, the term "transfer" includes your (or your owners') voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition of any interest in: (a) you; (b) this Agreement; or (c) the Franchised Business.

An assignment, sale, gift or other disposition also is a transfer and includes but is not limited to, the following events:

- i. transfer of ownership of capital stock, membership interest, ownership interest, or an interest in the Franchised Business;
- ii. merger or consolidation or issuance of additional securities or interest representing an ownership interest in you;
- iii. any issuance or sale of your stock or any security convertible to your stock;
- iv. transfer of an interest in you, this Agreement or the Franchised Business in a divorce, insolvency or corporate or partnership dissolution proceeding or otherwise by operation of law;
- v. transfer of an interest in you, this Agreement or the Franchised Business, in the event of your death or the death of one of your owners, by will, declaration of or transfer in trust or under the laws of intestate succession; or
- vi. pledge of this Agreement (to someone other than us) or of an ownership interest in you as security, foreclosure upon the Franchised Business or your transfer, surrender or loss of possession, control or management of the Franchised Business.

15.3 Conditions for Approval of Transfer.

If you (and your owners) are in full compliance with this Agreement, then subject to the other provisions of this Section 15, we will not unreasonably withhold approval of a transfer that meets all the applicable requirements of this Section. The proposed transferee and its direct and indirect owners must be individuals of good character and otherwise meet our then applicable standards for franchisees. A transfer of ownership, possession or control of the Franchised Business may only be made if the transferee enters into a new Franchise Agreement. If the transfer is of your Franchised Business or a controlling interest in you, or is one of a series of transfers which in the aggregate constitutes the transfer of your Franchised Business(es) or a controlling interest in you, all of the following conditions must be met prior to or concurrently with the effective date of any transfer:

- a. the transferee has sufficient business experience, aptitude and financial resources to operate the Franchised Business and has been approved as a franchisee;
- b. you have paid all License Fees, Marketing and Technology Fund fees, amounts owed for purchases from us and all other amounts owed to us or to third-party creditors and have submitted all required reports and statements;
- c. the transferee (or its Operating Partner) and its managerial employee (if different from your manager) have completed our training program;
- d. the transferee has agreed to enter into a new Franchise Agreement;
- e. you or the transferee pays us a transfer fee of \$10,000 (the "Transfer Fee"). We may provide training to your employees, other than Trainees. If we do so, you must pay us a fee not to exceed \$2,500 per person trained by us. You must pay all travel and living expenses for you, other trainees and your employees to attend the training. This subsection will not apply if the proposed transferee is among your owners, but the transferee is required to reimburse us for any administrative costs we incur in connection with the transfer;
- f. the transferee agrees to pay the costs required to bring the Franchised Business into compliance with the then current System Standards;
- g. you (and your transferring owners) have executed a general release, in the form attached to the Franchise Disclosure Document, of any and all claims against us and our shareholders, officers, directors, employees and agents;
- h. we have approved the material terms and conditions of such transfer and determined that the price and terms of payment will not adversely affect the transferee's operation of the Franchised Business;
- i. if you or your owners finance any part of the sale price of the transferred interest, you and/or your owners have agreed that all of the transferee's obligations pursuant to any promissory notes, agreements or security interests that you or your owners have reserved in the Franchised Business are subordinate to the transferee's obligation to pay License Fees, Marketing and Technology Fund fees and other amounts due to us and otherwise to comply with this Agreement;
- j. you and your transferring owners have executed a non-competition covenant in favor of us and the transferee agreeing to be bound, commencing on the effective date of the transfer, by the post-term competitive restrictions otherwise contained in this Agreement; and
- k. you and your transferring owners have agreed that you and they will not directly or indirectly at any time or in any manner (except with respect to other franchised businesses you own and operate) identify yourself or themselves or any business as a current or former Franchised Business, or as one of our licensees or franchisees, use any Mark, any colorable imitation of a Mark, or other indicia of a Franchised Business in any manner or for any purpose or utilize for any purpose any trade name, trade or service mark or other commercial symbol that suggests or indicates a connection or association with us.

15.4 Transfer to a Business Entity.

Notwithstanding the foregoing, if you are in full compliance with this Agreement, we may permit you to transfer this Agreement to a Business Entity that conducts no business other than the Franchised Business and, if applicable, other franchised businesses so long as you own, control and have the right to vote all issued and outstanding ownership interests (like stock or partnership

interests) and you guarantee its performance under this Agreement. All other owners are subject to our approval. The organizational or governing documents of the Business Entity must recite that the issuance and transfer of any ownership interests in the Business Entity are restricted by the terms of this Agreement, are subject to our approval, and all certificates or other documents representing ownership interest in the Business Entity must bear a legend referring to the restrictions of this Agreement. As a condition of our approval of the issuance or transfer of ownership interests to any person other than you, we may require (in addition to the other requirements we have the right to impose) that the proposed owner execute an agreement, in a form provided or approved by us, agreeing to be bound jointly and severally by, to comply with, and to guarantee the performance of all your obligations under this Agreement.

15.5 Transfer Upon Death or Disability.

Upon your death or disability or, if you are a Business Entity, the death or disability of the owner of a controlling interest in you, you or such owner's executor, administrator, conservator, guardian or other personal representative must transfer your interest in this Agreement or such owner's interest in you to a third party. Such disposition of this Agreement or the interest in you (including, without limitation, transfer by bequest or inheritance) must be completed within a reasonable time, not to exceed 6 months from the date of death or disability, and will be subject to all of the terms and conditions applicable to transfers contained in this Section. A failure to transfer your interest in this Agreement or the ownership interest in you within this period of time constitutes a breach of this Agreement. For purposes of this Agreement, the term "disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent you or an owner of a controlling interest in you from managing and operating the Franchised Business.

15.6 Operation Upon Death or Disability.

If, upon your death or disability or the death or disability of the owner of a controlling interest in you, the Franchised Business is not being managed by a trained manager, you or such owner's executor, administrator, conservator, guardian or other personal representative must within a reasonable time, not to exceed 15 days from the date of death or disability, appoint a manager to operate the Franchised Business, such manager will be required to complete training at your expense. Pending the appointment of a manager as provided above or if, in our judgment, the Franchised Business is not being managed properly any time after your death or disability or after the death or disability of the owner of a controlling interest in you, we have the right, but not the obligation, to appoint a manager for the Franchised Business. All funds from the operation of the Franchised Business during the management by our appointed manager will be kept in a separate account, and all expenses of the Franchised Business, including compensation, other costs and travel and living expenses of our manager, will be charged to this account. We also have the right to charge a reasonable management fee (in addition to the License Fees and Marketing and Development Fund contributions payable under this Agreement) during the period that our appointed manager manages the Franchised Business. Operation of the Franchised Business during any such period will be on your behalf, provided that we only have a duty to utilize our best efforts and will not be liable to you or your owners for any debts, losses or obligations incurred by the Franchised Business or to any of your creditors for any products, materials, supplies or services the Franchised Business purchases during any period it is managed by our appointed manager.

15.7 Effect of Consent to Transfer.

Our consent to a transfer of your Franchised Business or any interest in you does not

constitute a representation as to the fairness of the terms of any contract between you and the transferee, a guarantee of the prospects of success of the Franchised Business or transferee or a waiver of any claims we may have against you (or your owners).

15.8 Our Right of First Refusal.

If you (or any of your owners) at any time determine to sell, assign, or transfer for consideration an interest in your Franchised Business or an ownership interest in you, you (or such owner) agree to obtain a bona fide, executed written offer and earnest money deposit (in the amount of 5% or more of the offering price) from a responsible and fully disclosed offeror (including lists of the owners of record and all beneficial owners of any corporate or limited liability company offeror and all general and limited partners of any partnership offeror) and immediately submit to us a true and complete copy of such offer, which includes details of the payment terms of the proposed sale and the sources and terms of any financing of the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be denominated in a dollar amount. The offer must apply only to an interest in the Franchised Business and may not include an offer to purchase any of your (or your owners') other property or rights. However, if the offeror proposes to buy any other property or rights from you (or your owners) under a separate, contemporaneous offer, such separate, contemporaneous offer must be disclosed to us, and the price and terms of purchase offered to you (or your owners) for the interest in you or the Franchised Business must reflect the bona fide price offered and reflect any value for any other property or rights.

We have the right, exercisable by written notice delivered to you or your selling owner(s) within 30 days from the date of the delivery to us of both an exact copy of such offer and all other information we request, to purchase such interest for the price and on the terms and conditions contained in such offer, provided that:

- a. we may substitute cash for any form of payment proposed in such offer (with a discounted amount if an interest rate will be charged on any deferred payments);
- b. our credit will be deemed equal to the credit of any proposed purchaser;
- c. we will have not less than 60 days after giving notice of our election to purchase to prepare for closing; and
- d. we are entitled to receive, and you and your owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the capital stock of an incorporated business, as applicable, including, without limitation, representations and warranties as to:
 - (i) ownership and condition of and title to stock or other forms of ownership interest and/or assets;
 - (ii) liens and encumbrances relating to the stock or other ownership interest and/or assets; and
 - (iii) validity of contracts and the liabilities, contingent or otherwise, of the corporation whose stock is being purchased.

If we exercise our right of first refusal, you and your selling owner(s) agree that, for a period of 2 years commencing on the date of the closing, you and they will be bound by the post-term competitive restrictions otherwise described in this Agreement.

If we do not exercise our right of first refusal, you or your owners may complete the sale to

such purchaser pursuant to and on the exact terms of such offer, subject to our approval of the transfer as otherwise provided in this Agreement, provided that, if the sale to such purchaser is not completed within 120 days after delivery of such offer to us, or if there is a material change in the terms of the sale (which you agree promptly to communicate to us), we will have an additional right of first refusal during the 30-day period following either the expiration of such 120-day period or notice to us of the material change(s) in the terms of the sale, either on the terms originally offered or the modified terms at our option.

16. Termination of Agreement.

16.1 By Us.

We have the right to terminate this Agreement, effective upon delivery of written notice of termination to you, if we, in our sole discretion, determine to cease all franchise operations or if:

a. you (or any of your owners) have made any material misrepresentation or omission in connection with your purchase of the Franchise; or

b. you or, if applicable, the required Operating manager or approved Manager fail to successfully complete Initial Training to our satisfaction or you have not fulfilled all of the conditions for management of the Franchised Business; or

c. you (i) fail to obtain our approval of the Site within the required time periods or fail to open the Franchised Business to the public within 120 days from the execution of this Franchise Agreement, or (ii) fail to obtain our approval of the Lease for the Site or to provide a Conditional Assignment and Assumption of Lease clearly signed by the Landlord or fail to commence construction of the Franchised Business within 60 days of the Agreement Date; or You abandon or fail to actively operate the Franchised Business for 2 or more consecutive business days, unless the Franchised Business has been closed for a purpose we have approved; or

d. you surrender or transfer control of the operation of the Franchised Business without our prior written consent; or

e. you (or any of your owners) are or have been convicted by a trial court of, or plead or have pleaded no contest, or guilty, to, a felony or other serious crime or offense that is likely to adversely affect your reputation, our reputation or the reputation of any other franchisees; or

f. you (or any of your owners) engage in any dishonest or unethical conduct which may adversely affect the reputation of the Franchised Business or another franchisee or the goodwill associated with the Marks; or

g. you (or any of your owners) make an unauthorized assignment of this Agreement or of an ownership interest in you or the Franchised Business; or

h. in the event of your death or disability or the death or disability of the owner of a controlling interest in you, this Agreement or such owner's interest in you is not assigned as required under this Agreement; or

i. you fail to achieve the minimum gross revenue requirements for any calendar year specified in Paragraph 4.1(c) of this Franchise Agreement; or

j. you (or any of your owners) make any unauthorized use or disclosure of any Confidential Information or use, duplicate or disclose any portion of the Manuals in violation of this Agreement; or

k. you violate any governmental ordinance or regulation and do not begin to cure the noncompliance or violation immediately, and correct such noncompliance or violation within 10 days, after written notice is delivered to you; or

l. you fail to make payments of any amounts due to us or our affiliate under this Agreement or any other agreement that you have with us, and do not correct such failure within 10 days after written notice of such failure is delivered to you; or

m. you fail to make payments of any amounts due to approved suppliers of products or services and do not correct such failure within 10 days after written notice of such failure is delivered to you by such supplier; or

n. You fail to pay when due any federal or state income, service, sales or other taxes due on the operations of the Franchised Business, unless you are in good faith contesting your liability for such taxes; or

o. you (or any of your owners) fail to comply with any other provision of this Agreement or any System Standard and do not correct such failure within 30 days after written notice of such failure to comply is delivered to you; or

p. you (or any of your owners) fail on 2 or more separate occasions within any period of 12 consecutive months or on 3 occasions during the term of this Agreement to submit when due reports or other data, information or supporting records, to pay when due any amounts due to us or otherwise to comply with this Agreement, whether or not such failures to comply were corrected after written notice of such failure was delivered to you; or

q. you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee or liquidator of all or the substantial part of your property; the Franchised Business is attached, seized, subjected to a writ or distress warrant or levied upon, unless such attachment, seizure, writ, warrant or levy is vacated within 30 days; or any order appointing a receiver, trustee or liquidator of you or the Franchised Business is not vacated within 30 days following the entry of such order. you are required to notify us in writing within 10 days of any of the above events; or

r. you misuse or make an unauthorized use of the Marks or materially impair the goodwill associated with the Marks.

Notwithstanding the provisions described in Paragraph 16.1 and sub-sections “a-s”, if any valid, applicable law or regulation of a competent governmental authority having jurisdiction over the Franchise and the parties to this Franchise Agreement shall limit our rights of termination or shall require a longer notice period than set forth above, this Franchise Agreement is deemed amended to conform to such rules and regulations.

16.2 Your Failure to Pay Constitutes Your Termination of This Agreement.

Your failure to timely cure any breach of your obligation to make payments of License Fees, Marketing and Technology Fund fees or any other monies due and owing to us under this Agreement, or to timely cure any other material breach of this Agreement committed by you, in either instance following our notice to you that you have committed a breach of this Agreement and granting you an opportunity to cure said breach, will be irrevocably deemed to constitute your unilateral rejection and termination of this Agreement and all related agreements between you and us or our affiliate, notwithstanding that a formal notice of such termination(s) ultimately issues from us, and you shall never contend or complain otherwise.

16.3 Cross-Default.

Any default or breach by you, an affiliate which has been approved by us, and/or any guarantor of yours of any other agreement between us and you and/or such other parties will be deemed a default under this Agreement, and any default or breach of this Agreement by you and/or such other parties will be deemed a default or breach under any and all such other agreements between us and you, your affiliates and/or any guarantor of yours. If the nature of the default under any other agreement would have permitted us (or our affiliate) to terminate this Agreement if the default had occurred under this Agreement, then we will have the right to terminate all such other agreements in the same manner provided for in this Agreement for termination hereof. Your “affiliates” means any persons or entities controlling, controlled by or under common control with you.

16.4 Options Prior to Termination.

Prior to the termination of this Agreement, if you fail to pay any amounts owed to us or our affiliate, or fail to comply with any term of this Agreement, then in addition to any right we may have to terminate this Agreement or to bring a claim for damages, we will have the option to:

- a. Remove the listing of the Franchised Business from all advertising we may publish or approve;
- b. Remove the listing of the Franchised Business from our Website;
- c. Prohibit you from attending any meetings or seminars we hold or sponsor or that take place on our premises; and/or
- d. Suspend all services we provide to you under this Agreement or otherwise, including, but not limited to inspections, training, marketing assistance, and sale of any proprietary item.

Our actions, as outlined in this Paragraph 16.4, may continue until you have brought your accounts current, cured any default, and complied with our requirements, and we have acknowledged the same in writing. You acknowledge that our taking of any of these actions would not prevent you from continuing to operate the Franchised Business (unless and until this Agreement has been terminated), and therefore would not constitute constructive termination of this Agreement. The taking of any of the actions permitted in this Paragraph will not suspend or release you from any obligation that would otherwise be owed to us or our affiliate under the terms of this Agreement or otherwise.

17. Rights and Obligations Upon Termination.

17.1 Payment of Amounts Owed to Us.

You agree to pay us within 15 days after the effective date of termination or expiration of this Agreement, or on such later date that the amounts due to us are determined, such License Fees, Marketing and Technology Fund fees, amounts owed for purchases from us, interest due on any of the foregoing and all other amounts owed to us which are then unpaid.

17.2 Marks and De-Identification.

Upon the termination or expiration of this Agreement:

a. You may not directly or indirectly at any time or in any manner (except with respect to other franchises you own and operate) identify yourself or any business as a current or former Franchised Businesses, or as one of our licensees or franchisees, use any Mark, any colorable imitation of a Mark or other indicia of our franchise or the Franchised Business in any manner or for any purpose or utilize for any purpose any trade name, trade or service mark or other commercial symbol that indicates or suggests a connection or association with us. Within thirty (30) days of termination or expiration you are to deliver to us, at your own expense, all signs, sign-faces, sign-cabinets, marketing materials, forms and other materials containing any mark or otherwise identifying or relating to a Franchised Business. In our sole judgment, we may waive this requirement in writing provided that you provide a sworn Certificate of Destruction/De-identification detailing your compliance with these terms;

b. You agree to take such action as may be required to cancel all fictitious or assumed name or equivalent registrations or licenses relating to your use of any Mark;

c. If we do not have or do not exercise an option to purchase the Franchised Business, you agree to deliver to us within 30 days after, as applicable, the effective date of expiration/termination of this Agreement or the Notification Date all signs, sign-faces, sign-cabinets, marketing materials, forms and other materials containing any Mark or otherwise identifying or relating to the Franchised Business and allow us, without liability to you or third parties, to remove all such items from the Franchised Business;

d. If we do not have or do not exercise an option to purchase the Franchised Business, you agree that, after, as applicable, the effective date of expiration/terminations of this Agreement or the Notification Date, you will promptly and at your own expense make such alterations we specify to distinguish the Franchised Business clearly from any other franchisee and make such alterations to forms, graphics, signs, stationary, the locations, its former appearance and from other franchisees so as to prevent confusion by the public, including, without limitation, removing all exterior and interior signage bearing the Franchised Businesses name or logo; removing all furnishings bearing the Franchised Businesses name or logo; removing all memorabilia and any notation of any type that includes the Franchised Businesses name or logo; removing and ceasing to use all our private labeled items, all retail merchandise bearing the franchise name or logo; changing the premises (if leased) to clearly distinguish them from their former appearance/concept and from other franchisees so as to prevent confusion by the public and all other alterations we specify to distinguish the Franchised Business clearly from its former appearance and from other franchisees;

e. If we do not have or do not exercise an option to purchase the Franchised Business, you must return to us all proprietary manuals including the Confidential Operations Manual. These items are to be returned to us via ground delivery service, shipped no later than the day of closing, and a copy of the bill of lading/shipping order provided to us;

f. If we do not have or do not exercise an option to purchase the Franchised Business you agree that, after, as applicable, the effective date of expiration/termination of this Agreement or the Notification Date, you will notify the telephone company and transfer all telephone, facsimile or other numbers and any regular, classified or other telephone directory listings to us or at our direction and/or instruct the telephone company to forward all calls made to your telephone numbers to numbers we specify. You further appoint an officer of Franchisor as your attorney in fact, to direct the telephone company and any listing agencies to transfer any telephone numbers and listing to us should you fail to voluntarily do so, and the telephone company and all listing agencies shall accept such direction of this Agreement as conclusive of the exclusive rights of Franchisor in such telephone numbers and directory listings and its authority to direct their transfer; and

g. You agree to furnish us, within 30 days after, as applicable, the effective

date of expiration or termination of this Agreement or the Notification Date, with evidence satisfactory to us of your compliance with the foregoing obligations.

17.3 Confidential Information.

You agree that, upon termination or expiration of this Agreement, you will immediately cease to use any of our Confidential Information in any business or otherwise and return to us all copies of the Manuals and any other confidential materials that we have loaned to you.

17.4 Competitive Restrictions.

Upon termination or expiration of this Agreement for any reason whatsoever, you agree that, for a period of 2 years commencing on the Effective Date of termination or expiration neither you nor any of your owners will have any direct or indirect interest (including through a spouse, child or other family member) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, member, manager, representative or agent or in any other capacity in any Competitive Business operating:

- a. At the Site or within the Designated Territory; or
- b. Within 50 miles of the Site or Designated Territory; or
- c. Within 15 miles of any other franchisee's designated territory on the later of the effective date of the termination or expiration.

If any person restricted by this Section refuses voluntarily to comply with the foregoing obligations, the 2-year period will commence with the entry of an order of an arbitrator, or court if necessary, enforcing this provision. You expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Section will not deprive you or your owners of your or their personal goodwill or ability to earn a living.

All persons with an ownership or voting interest in you if you are a Business Entity franchisee, all individual franchisees if you are not a Business Entity and any person employed by or under an independent contractor relationship with you who receives or will receive any training by us or you which is directly or indirectly related to the System or involves any of the Confidential Information must execute the Confidentiality, Non-solicitation and Non-competition Agreement attached to the Franchise Disclosure Document no later than ten days following the effective date of this Agreement (or, if any individual or entity attains such status after the effective date of this Agreement, within ten days following such individual or entity's attaining such status).

17.5 Our Right to Purchase.

a. Exercise of Option.

Upon our termination of this Agreement in accordance with its terms and conditions, we have the option, exercisable by giving written notice to you within 60 days from the date of such termination, to purchase the Franchised Business from you, including the leasehold right to the Site. (The date on which we notify you whether or not we are exercising our option is referred to in this Agreement as the "Notification Date"). We have the unrestricted right to assign this option to purchase the Franchised Business. We will be entitled to all customary warranties and representations in connection with our asset purchase, including, without limitation, representations and warranties

as to ownership and condition of and title to assets; liens and encumbrances on assets; validity of contracts and agreements; and liabilities affecting the assets, contingent or otherwise.

b. Leasehold Rights.

You agree at our election:

- (i) to assign your leasehold interest in the Site to us;
- (ii) to enter into a sublease for the remainder of the lease term on the same terms (including renewal options) as the prime lease; or
- (iii) to lease to us if you own the Site in accordance with the Agreement to Lease.

c. Purchase Price.

The purchase price for the Franchised Business will be its fair market value, determined in a manner consistent with reasonable depreciation of the Franchised Business equipment, signs, inventory, materials and supplies provided that the Franchised Business will be valued as an independent business and its value will not include any value for:

- (i) the Franchise or any rights granted by the Agreement;
- (ii) the Marks; or
- (iii) participation in the network of Franchised Businesses.

The Franchised Business fair market value will include the goodwill you developed in the market of the Franchised Business that exists independent of the goodwill of the Marks and the System. The length of the remaining term of the lease for the Site will also be considered in determining the Franchised Business fair market value.

We may exclude from the assets purchased cash or its equivalent and any equipment, signs, inventory, materials, lease and supplies that are not reasonably necessary (in function or quality) for our operation or that we have not approved as meeting standards for franchisees, and the purchase price will reflect such exclusions.

The purchase price will be paid at the closing of the purchase, which will take place not later than 90 days after determination of the purchase price. We have the right to set off against the purchase price, and thereby reduce the purchase price by any and all amounts you or your owners owe to us. At the closing, you agree to deliver instruments transferring to us the following:

- (i) Good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interest acceptable to us), with all sales and other transfer taxes paid by you;
- (ii) All licenses and permits of the Franchised Business which may be assigned or transferred; and
- (iii) The leasehold interest and improvements in the Site.

If you cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, the closing of the sale will be accomplished through an escrow. You and your owners further agree to execute general releases, in the form attached to the Franchise Disclosure Document, of any and all claims against us and our shareholders, officers, directors, employees, agents, successors and assigns.

18. Relationship of the Parties/Indemnification.

18.1 Independent Contractors.

You and we understand and agree that this Agreement does not create a fiduciary relationship between you and us, that we and you are and will be independent contractors and that nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner or employee of the other for any purpose. You agree to conspicuously identify yourself in all dealings with clients, suppliers, public officials, personnel and others as the owner of the Franchised Business under a franchise we have granted and to place such notices of independent ownership on such forms, business cards, stationery and advertising and other materials as we may require from time to time. If you do not do so, we may place the notices and accomplish the foregoing as we see fit, and you must reimburse us for doing so.

18.2 No Liability for Acts of Other Party.

You agree not to employ any of the Marks in signing any contract or applying for any license or permit, or in a manner that may result in our liability for any of your indebtedness or obligations, and that you will not use the Marks in any way we have not expressly authorized. Neither we nor you will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name or on behalf of the other, represent that our respective relationship is other than franchisor and franchisee or be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized in writing. We will not be obligated for any damages to any person or property directly or indirectly arising out of the Franchised Business operation or the business you conduct pursuant to this Agreement.

18.3 Taxes.

We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, payroll, property or other taxes, whether levied upon you or the Franchised Business, in connection with the business you conduct (except any taxes we are required by law to collect from you with respect to purchases from us). Payment of all such taxes is your responsibility.

18.4 Indemnification

You agree to indemnify, defend and hold us, our affiliate and our respective shareholders, directors, officers, employees, agents, successors and assignees (the "Indemnified Parties") harmless from and to reimburse any one or more of the Indemnified Parties for all claims, obligations and damages described in this Section, any and all taxes arising from the operation of your Franchised Business, and any and all claims and liabilities directly or indirectly arising out of the Franchised Business operation (even if our negligence is alleged, but not proven); any element of your development, opening and operation of your Franchised Business, including (without limitation) any personal injury, death or property damage suffered by any client, caregiver, visitor, operator, employee or guest of the Franchised Business ; crimes committed on or near your Franchised Business against any of your caregivers or vehicles used by your Franchised Business; all acts, errors, neglects or omissions engaged in by you, your contractors or subcontractors, as well as any third party, arising out of or related to the design, construction, conversion, build-out, outfitting, remodeling, renovation or upgrading of your Franchised Business, whether or not any of the foregoing was approved by us; defects in any Franchised Business you construct and/or operate, whether or not discoverable by you or by us; all acts, errors, neglects or omissions of you or the Franchised Business and/or the owners, officers, directors, management, employees, agent, servants,

contractors, partners, proprietors, affiliates or representatives of you or the Franchised Business (or any third party acting on your behalf or at your direction), whether in connection with the Franchised Business or otherwise; all liabilities arising from or related to your offer, sale and/or delivery of products and/or services as contemplated by this Agreement; and, any action by any client of yours or visitor to your Franchised Business or any other facility of your Franchised Business; or your breach of this Agreement.

For purposes of this indemnification, "claims" includes all obligations, damages (actual, consequential or otherwise) and costs reasonably incurred in the defense of any claim against any of the Indemnified Parties, including, without limitation, reasonable accountant's, arbitrator's, attorney's and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of litigation, arbitration or alternative dispute resolution and travel and living expenses. We have the right to defend any such claim against us. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

Under no circumstances will we or any other Indemnified Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate our, their or your losses and expenses, in order to maintain and recover fully a claim against you. You agree that a failure to pursue such recovery or mitigate a loss will in no way reduce or alter the amounts we or another Indemnified Party may recover from you.

19. Enforcement.

19.1 Severability and Substitution of Valid Provisions.

Except as expressly provided to the contrary herein, 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, un-appealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which Franchisor is 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 binding upon the parties hereto, although any portion held to be invalid shall be deemed not to be part of this Agreement from the date the time for appeal expires, if you are a party thereto, or upon your receipt of a notice of non-enforcement thereof from us. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of or refusal to allow you a Successor Franchise to this Agreement than is 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 operation 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 notice requirements hereof, and we shall have the right, in our sole discretion to modify such invalid or unenforceable provision, specification, standard or operation procedure to the extent required to be valid and enforceable. 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.

19.2 Waiver of Obligations.

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. 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 continuing review by us and may be revoked, in our sole discretion, at any time and for any reason, effective upon receipt by you of ten (10) days prior written notice. We shall not be deemed to have waived or impaired any right, power, or option reserved by this Agreement (including, without limitation, our right to demand exact compliance with every term, condition and covenant herein, or to declare any breach thereof to be a default and to terminate this Franchise 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 by us or you to demand strict compliance with 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 against other franchisees of us or the acceptance by us of any payments due from you after failure to comply with any provision of this Agreement, nor acceptance by us of any payment by you or failure, refusal or neglect of us or you to exercise any right under this Agreement or to insist upon full compliance by the other with its obligations, hereunder, including without limitation, any mandatory specification, standard or operating procedure, shall not constitute a waiver of any provision of this Agreement.

19.3 Franchisee May Not Withhold Payment Due Franchisor.

You agree that you will not, on grounds of the alleged nonperformance by us of any of our obligations hereunder, withhold payment of any License Fees, Marketing and Technology Fund fees, and amounts due to us for items or products purchased by you or any other amounts due from you to us.

19.4 Force Majeure.

If the performance of any obligation under this Franchise Agreement is prevented or delayed, in whole or in part, by reason of force majeure, or the consequence thereof, affecting the parties hereto or the rights granted hereunder, such force majeure to include but not be limited to acts of God, fire, flood, governmental restrictions, lockouts or labor disputes, then the affected party shall be given such additional time as is reasonable to perform in view of the nature and extent of the force majeure.

19.5 Governing Law.

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051, *et seq.*) and the United States Arbitration Act which may also be designated the Federal Arbitration Act, this Agreement and the franchise shall be governed by the laws of Alabama.

Franchisee waives any and all rights, actions or claims for relief under the Federal Act entitled "Racketeer Influenced and Corrupt Organizations", 18 U.S.C. Section 1961, *et seq.*

19.6 Binding Effect.

This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, legal representatives, assigns and successors in interest.

The parties hereto agree that this Agreement may be executed electronically by any means Franchisor chooses, and if by electronic signature, the electronic signature shall be binding to the same extent as an original signature and shall be deemed an original signature with regard to this

Agreement and all Riders, Amendments or Addenda hereto. You are not entitled to challenge the validation or authenticity of the electronic signature or the document on the ground that it is not the original.

19.7 Construction.

The preambles are a part of this Agreement, and constitute the entire agreement of the parties, and, with the exception, if applicable, of a lease or sublease for the premises of the Franchised Business between us and you, there are no other oral or written understandings or agreements between us and you relating to the subject matter of this Agreement. 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. The headings of the Sections and Paragraphs hereof are for convenience only and do not define, limit or construe the contents of such Sections or Paragraphs. The term “you”, “your” or “Franchisee” as used herein is applicable to one or more persons, a corporation, partnership, limited liability company or other legal entity, as the case may be, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine. Reference to Franchisee, and “assignees” and “transferees” which are applicable to an individual or individuals shall mean the principal owner or owners of the equity or operating control of Franchisee or any such assignee or transferee if Franchisee or such assignee or transferee is a corporation, partnership, Limited Liability Company or other legal entity. This Agreement may be executed in multiple copies, each of which shall be deemed an original. Time is of the essence of this Agreement.

19.8 Judicial Enforcement, Injunction and Specific Performance.

Notwithstanding the provisions of Paragraphs 19.9 and 19.10, we shall be entitled, without bond, to the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement relating to Franchisee’s use of the Marks, the obligations of Franchisee upon termination or expiration of the franchise, and assignment of the Franchise and ownership of Franchisee. If we secure any such injunction or order of specific performance, Franchisee agrees to pay to us an amount equal to the aggregate of our costs of obtaining such relief, including, without limitations, reasonable attorneys’ fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, and any damages incurred by us as a result of the breach of any such provision.

19.9 Mediation.

The parties hereto agree that before resorting to binding arbitration, that if any dispute arises between the parties hereto, any affiliated companies thereof or any of their officers, directors, partners, joint ventures, employees, members agents, representatives or those in active concert with any of such parties, relating to anything other than the matters set forth in Section 10 and Paragraphs 17.4 or 19.8, the parties hereto agree to first try in good faith before resorting to arbitration, to settle the dispute by mediation in Shelby County, Alabama, administered by the American Arbitration Association under its Commercial Mediation Rules and initiated at and supervised by the American Arbitration Association regional office for the Shelby County, Alabama area, unless agreed otherwise by the parties. Disputes subject to mediation shall be all controversies, claims, and matters from the beginning of time, whether contractual or tort in nature, except for those matters specifically excluded in Section 10 and Paragraphs 17.4 and 19.8. The party who seeks resolution of a controversy, claim or dispute or other matter in question shall notify the other party and the American Arbitration Association office in writing of the existence and subject matter of such controversy, claim or dispute. Unless mutually agreed otherwise, the parties shall meet with the mediator within thirty (30) days after the recipient party has received notice of the dispute, and agree to utilize their best efforts and

all expediency to resolve the matters in dispute. The mediation shall not continue longer than one (1) hearing day without the written approval of both parties. Neither party shall be bound by any recommendation of the mediator; however, any agreement reached during mediation shall be final and conclusive. The expense of mediation shall be shared equally by both parties. The parties' obligation to mediate will be deemed to be satisfied after one (1) hearing day or 60 days after a mediation demand has been made if any party fails to appear or participate in good faith in the mediation.

Franchisor and the Franchisee each agree that the mediation process is negotiation for the purpose of compromise. All offers, promises, conduct, and statements, whether oral or written, made in the course of the mediation process by any of the parties, their agents, employees, experts and attorneys, shall be confidential. Franchisee acknowledges that Franchisor may require the Franchisee to execute a confidentiality agreement pertaining to the mediation process. Notwithstanding the foregoing, evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or not discoverable as a result of its use in the mediation process.

In the event the parties are unable to reach an agreement by mediation, then in that event all disputes, controversies, claims or causes of action shall be submitted to binding arbitration pursuant to Paragraph 19.10 hereinafter.

19.10 Arbitration.

All disputes and claims relating to any provision of this Franchise Agreement (other than as set forth in Section 19, Paragraph 19.8 above, Franchisee's use of the Marks or the parties' Exclusive Relationship or the obligations of Franchisee upon termination or expiration of the franchise, and assignment of the Franchise and ownership of Franchisee), any specification, standard, operating procedure, or rule or any other obligation of Franchisee prescribed by Franchisor or any obligation of Franchisor, or the breach thereof (including, without limitation, any claim that this Agreement, any provision hereof, any specification, standard, operating procedure or rule or any other obligation of Franchisee or Franchisor is illegal or otherwise unenforceable or voidable under any law, ordinance, or ruling) shall be settled by arbitration in Shelby County, Alabama, or if Franchisor shall no longer maintain an office in Shelby County, Alabama, then the home office of Franchisor. Arbitration shall be conducted in accordance with the United States Arbitration Act (9 U.S.C. Section 1, *et seq.*), if applicable, and the Rules of the American Arbitration Association (relating to the arbitration of disputes arising under franchise and license agreements, if any, otherwise, the general rules of commercial arbitration), provided that the arbitrator shall award, or include in his/her award, the specific performance of this Agreement, and the arbitrator shall issue a written opinion explaining the reasons for his/her decision and award. If a claim for amounts owed by Franchisee to Franchisor is asserted in the arbitration proceeding and if Franchisor shall prevail on such claim, Franchisor shall be entitled to so much of its cost and expenses including accounting and legal fees, as are attributable to the prosecution thereof. Judgment upon the award of the arbitrator may be entered in any court having jurisdiction thereof or of Franchisor or of Franchisee. During the pendency of an arbitration proceeding hereunder, Franchisee and Franchisor shall fully perform and comply with the provisions of this Agreement. The parties intend and agree that any state laws attempting to prohibit arbitration or void out-of-state forums for arbitration are preempted by the Federal Arbitration Act and the arbitration shall be held as provided in Paragraph 19.10.

19.11 Third Party Beneficiaries.

Our officers, directors, shareholders, members, agents and/or employees are express third party beneficiaries of the arbitration provisions in Paragraph 19.10, each having authority to

specifically enforce the right to arbitrate claims asserted against such person(s) by Franchisee.

19.12 Class Claims.

Franchisee agrees that any arbitration between Franchisee and Franchisor will be Franchisee's individual claim and that the claim or claims subject to arbitration shall not be arbitrated on a class-wide basis.

19.13 Entire Agreement.

This Agreement, including the introduction, addenda and exhibits to it, constitutes the entire agreement between you and us. Notwithstanding the foregoing, nothing in the Agreement is intended to disclaim the representations we made in the Franchise Disclosure Document that we furnished to you. There are no other oral or written understandings or agreements between you and us concerning the subject matter of this Agreement. Except as expressly provided otherwise in this Agreement, this Agreement may be modified only by written agreement signed by both you and us.

19.14 Certain Definitions.

The term "family member" refers to parents, spouses, offspring and siblings, and the parents and siblings of spouses. The term "affiliate" means any Business Entity directly or indirectly owned or controlled by a person, under common control with a person or controlled by a person. The terms "franchisee," "franchise owner," "you" and "your" are applicable to one or more persons, or a Business Entity, as the case may be. The singular use of any pronoun also includes the plural and the masculine and neuter usages include the other and the feminine. The term "person" includes individuals, corporations, partnerships (general or limited), limited liability companies, and all artificial or legal entities. The term "Section" refers to a Section or Subsection of this Agreement. The word "control" means the power to direct or cause the direction of management and policies. The word "owner" means any person holding a direct or indirect, legal or beneficial ownership interest or voting right in another person (or a transferee of this Agreement or an interest in you), including any person who has a direct or indirect interest in you or this Agreement and any person who has any other legal or equitable interest, or the power to vest in himself any legal or equitable interest, in the revenue, profits, rights or assets.

19.15 Time Is of the Essence.

It will be a material breach of this Agreement to fail to perform any obligation within the time required or permitted by this Agreement. In computing time periods from one date to a later date, the words "from" and "commencing on" (and the like) mean "from and including"; and the words "to", "until" and "ending on" (and the like) mean "to but excluding." Indications of time of day mean Birmingham, Alabama time.

19.16 Anti-Terrorism Compliance.

You agree to comply with, and/or assist us to the fullest extent possible in our efforts to comply with, 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 any other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war (the "Anti-Terrorism Laws"). In connection with such compliance you certify, represent and warrant that none of your property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that you are not otherwise in violation of any of the Anti-

Terrorism Laws. Any violation of the Anti-Terrorism Laws by you or your employees or any “blocking” of your assets under the Anti-Terrorism Laws constitute grounds for immediate termination of this Agreement and any other agreements you have entered into with us or any of our affiliate, in accordance with the termination provisions of this Agreement.

19.17 Our Withholding of Consent Your Exclusive Remedy.

In no event may you make any claim for money damages based on any claim or assertion that we have unreasonably withheld or delayed any consent or approval under this Franchise Agreement. You waive any such claim for damages. You may not claim any such damages by way of setoff, counterclaim or defense. Your sole remedy for the claim will be mediation and arbitration proceedings in accordance with Paragraphs 19.9 and 19.10 respectively to enforce the Agreement provisions, for specific performance or for declaratory judgment.

19.18 Notices.

All written notices and reports permitted or required under this Agreement or by the Manuals will be deemed delivered:

a. 2 business days after being placed in the hands of a commercial airborne courier service for next business day delivery; or

b. 3 business days after placement in the United States mail by certified mail, return receipt requested, postage prepaid.

All such notices must be addressed to the parties as follows:

If to Us: Your Choice Senior Care Franchising, LLC
500 Southland Drive, Suite 224
Birmingham, AL 35226

If to You: _____

Attention: _____

Either you or we may change the address for delivery of all notices and reports and any such notice will be effective within 10 business days of any change in address. Any required payment or report not actually received by us during regular business hours on the date due (or postmarked by postal authorities at least 2 days prior to such date, or in which the receipt from the commercial courier service is not dated prior to 2 days prior to such date) will be deemed delinquent.

20. Spousal Consent.

If you have obtained our approval and the Franchisee is a corporation, partnership, limited liability company or other form of legal entity, then the spouse of each of your owners, or, for, an individual(s), or subsequent to execution hereof you marry or you assign this Agreement to an individual(s), then in either event, the spouse(s) hereby jointly and severally personally and unconditionally guarantee(s) without notice, demand or presentment, the payment of all of your

monetary obligations under this Agreement as if each were an original party to this Agreement in his or her individual capacity. All such spouses further agree to be bound by restrictions upon your activities upon transfer, termination or expiration of this Agreement as if each were an original party to this Agreement in his or her individual capacity. All such spouses must execute a spousal consent in the form attached hereto as Exhibit G-Two. In the event of divorce and re-marriage, or subsequent marriage, you covenant and agree to provide Franchisor with a properly executed spousal consent and guarantee, in the form prescribed by Franchisor.

[Signatures on page that follows.]

Intending to be bound, you and we sign and deliver this Agreement effective on the Agreement Date, regardless of the actual date of signature.

Dated: _____

Attest: _____

Dated: _____

Witness/Date

“You”; “Your” ; “Franchisee”

If a corporation or other entity:
(Name of Corporation or Other Entity)

By: _____
Its: _____
Title: _____

Printed Name

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

Attest: _____

“We”; “Us”; “Our”; “Franchisor”
Your Choice Senior Care Franchising, LLC

By: _____
(Print Name)
Its: _____
(Title)

EXHIBIT “G-ONE” TO THE FRANCHISE AGREEMENT

ZIP CODES OR MAP OF THE DESIGNATED TERRITORY

EXHIBIT “G-ONE” TO THE FRANCHISE AGREEMENT

DESIGNATED TERRITORY

Your Designated Territory is described as follows:

By zip code:

Or if indicated below, by attached map.

☐ See attached map.

Your Site is located at:

EXHIBIT “G-TWO” TO THE FRANCHISE AGREEMENT

SPOUSAL CONSENT

EXHIBIT "G-TWO" TO THE FRANCHISE AGREEMENT

SPOUSAL CONSENT

The undersigned person(s) hereby represent(s) to Your Choice Senior Care Franchising, LLC that he/she is the spouse of the individual franchisee(s) who has executed a Your Choice Senior Care Franchising, LLC Franchise Agreement dated the ___ day of _____, 20__ or that he/she is the spouse of one of the Owners of the legal entity who executed the Your Choice Senior Care Franchising, LLC Franchise Agreement of the same date. In consideration of the grant by Your Choice Senior Care Franchising, LLC to the Franchisee as herein provided, each of the undersigned spouses agrees, in consideration of benefits received and to be received by each of them, jointly and severally, and for themselves, their heirs, legal representatives and assigns that they, and each of them, will be firmly bound by all of the terms, provisions and conditions of the foregoing Your Choice Senior Care Franchising, LLC Franchise Agreement, that they and each of them jointly and severally do hereby unconditionally guarantee the full and timely performance by the Franchisee of each and every obligation of the Franchisee under the aforesaid Franchise Agreement, including, without limitation, any indebtedness of the Franchisee arising under or by virtue of the aforesaid Franchise Agreement. The undersigned jointly and severally further agree(s) to be bound by the in-term and post-term covenants set forth in Section 10 and in Paragraph 17.4 of the aforesaid Franchise Agreement.

WITNESS:

Signature: _____

Printed Name: _____

EXHIBIT “G-THREE” TO THE FRANCHISE AGREEMENT

STATE REQUIRED AMENDMENT TO FRANCHISE AGREEMENT

EXHIBIT “H” TO THE DISCLOSURE DOCUMENT

**FORM OF
CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS**

CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS

THIS CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS (this “Assignment”) is effective as of _____, 20__, between YOUR CHOICE SENIOR CARE FRANCHISING, LLC, an Alabama limited liability company, with its principal place of business at 500 Southland Drive, Suite 224, Birmingham, AL 35226 (“Franchisor,” “Assignee,” “we,” “us” or “our”) and _____ whose current place of business is _____ (“Franchisee,” “Assignor,” “you” or “your”). You and we are sometimes referred to collectively as the “parties” or individually as a “party”.

BACKGROUND INFORMATION

We have simultaneously entered into a Franchise Agreement (the “Franchise Agreement”) dated as of _____, 20__ with you, pursuant to which you plan to own and operate a Your Choice Senior Care Franchising, LLC franchise. We use, among other things, certain proprietary, procedures, formats, systems forms, printed materials, applications, methods, specifications, standards and techniques we authorize or develop (collectively the “System”). We identify our franchises and various components of the System by certain trademarks, trade names, service marks, trade dress and other commercial symbols (collectively the “Marks”). In order to protect our interest in the System and the Marks, we will have the right to control the telephone numbers and listings of the Your Choice Senior Care Franchising, LLC franchise if the Franchise Agreement is terminated.

OPERATIVE TERMS:

You and we agree as follows:

1. **Background Information:** The background information is true and correct. This Assignment will be interpreted by reference to the background information. Terms not otherwise defined in this Assignment will have the meanings as defined in the Franchise Agreement.
2. **Conditional Assignment:** You assign to us, all of your right, title and interest in and to the following telephone numbers _____ (specified when obtained) and any other telephone numbers and regular, classified or other telephone directory listings (collectively, the “Numbers and Listings”) associated with the Marks and used from time to time in connection with the operation of the Your Choice Senior Care Franchising, LLC Franchised Business. We will have no liability or obligation of any kind whatsoever arising from or in connection with the Assignment, unless we notify the telephone company and/or the listing agencies with which you have placed telephone directory listings (collectively, the “Telephone Company”) to effectuate the assignment of the Numbers and Listings to us. Upon termination or expiration of the Franchise Agreement we will have the right and authority to ownership of the Numbers and Listings. In such event, you will have no further right, title or interest in the Numbers and Listings and will remain liable to the Telephone Company for all past due fees owing to the Telephone Company on or before the date on which the assignment is effective. As between the parties, upon termination or expiration of the Franchise Agreement, we will have the sole right to and interest in the Numbers and Listings.
3. **Power of Attorney:** You irrevocably appoint us as your true and lawful attorney-in-fact to: (a) direct the Telephone Company to effectuate the assignment of the Numbers and Listings to us; and (b) sign on your behalf such documents and take such actions as may be necessary to effectuate the assignment. Notwithstanding anything else in the Assignment, however,

you will immediately notify and instruct the Telephone Company to effectuate the assignment described in this Assignment to us when, and only when: (i) the Franchise Agreement is terminated or expires; and (ii) we instruct you to so notify the Telephone Company. If you fail to promptly direct the Telephone Company to effectuate the assignment of the Numbers and Listings to us, we will direct the Telephone Company to do so. The Telephone Company may accept our written direction, the Franchise Agreement or this Assignment as conclusive proof of our exclusive rights in and to the Numbers and Listings upon such termination or expiration. The assignment will become immediately and automatically effective upon Telephone Company's receipt of such notice from you or us. If the Telephone Company requires that you and/or we sign the Telephone Company's assignment forms or other documentation at the time of termination or expiration of the Franchise Agreement, our signature on such forms or documentation on your behalf will effectuate your consent and agreement to the assignment. At any time, you and we will perform such acts and sign and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination or expiration of the Franchise Agreement. The power of attorney conferred upon us pursuant to the provisions set forth in this Assignment is a power coupled with an interest and cannot be revoked, modified or altered without our consent.

4. **Indemnification:** You will indemnify and hold us and our affiliate, stockholders, directors, officers, members, and representatives (collectively, the "**Indemnified Parties**") harmless from and against any and all losses, liabilities, claims, proceedings, demands, damages, judgments, injuries, attorneys' fees, costs and expenses that any of the Indemnified Parties incur as a result of any claim brought against any of the Indemnified Parties or any action which any of the Indemnified Parties are named as a party or which any of the Indemnified Parties may suffer, sustain or incur by reason of, or arising out of, your breach of any of the terms of any agreement or contract or the nonpayment of any debt you have with the Telephone Company.

5. **Binding Effect:** This Assignment is binding upon and inures to the benefit of the parties and their respective successors-in-interest, heirs, and successors and assigns.

The parties hereto agree that this Agreement may be executed electronically by any means Franchisor chooses, and if by electronic signature, the electronic signature shall be binding to the same extent as an original signature and shall be deemed an original signature with regard to this Agreement and all Riders, Amendments or Addenda hereto. You are not entitled to challenge the validation or authenticity of the electronic signature or the document on the ground that it is not the original.

6. **Assignment to Control:** This Assignment will govern and control over any conflicting provision in any agreement or contract which you may have with the Telephone Company.

7. **Attorneys' Fees, Etc.:** In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Assignment or the enforcement thereof, the prevailing party will be entitled to reimbursement of its attorneys' fees, costs and expenses from the non-prevailing party. The term "attorneys' fees" means any and all charges levied by an attorney for his or her services including time charges and other reasonable fees including paralegal fees and legal assistant fees and includes fees earned in settlement, at trial, appeal or in bankruptcy proceedings and/or in arbitration proceedings.

8. **Severability:** If any of the provisions of this Assignment or any section or subsection of this Assignment or any section or subsection of this Assignment is held invalid for any reason, the remainder of this Assignment or any such section or subsection will not be affected, and will remain in full force and effect in accordance with its terms.

9. **Governing Law Forum:** This Assignment is governed by Alabama Law. The parties will not institutes any action arising out of this Assignment against any of the other parties to this Assignment except in the state or federal court of competent jurisdiction in Shelby County, Alabama, and they irrevocably submit to the jurisdiction of such courts and waive any objection they may have to either the jurisdiction or venue of such court.

ASSIGNOR:

By: _____

Name: _____

Title: _____

Date: _____

ASSIGNEE:

**YOUR CHOICE SENIOR CARE
FRANCHISING, LLC**

By: _____

Name: _____

Title: _____

Date: _____

THIS CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS is accepted and agreed to by:

(TELEPHONE COMPANY)

By: _____

Name: _____

Its: _____

Date: _____

EXHIBIT “I” TO THE DISCLOSURE DOCUMENT

**FORM OF
CONDITIONAL ASSIGNMENT AND ASSUMPTION OF LEASE**

CONDITIONAL ASSIGNMENT AND ASSUMPTION OF LEASE

THIS CONDITIONAL ASSIGNMENT AND ASSUMPTION OF LEASE (this “**Assignment**”) is made, entered into and effective as of the effective date of the Lease (as defined herein below), by, between and among **YOUR CHOICE SENIOR CARE FRANCHISING, LLC**, an Alabama limited liability company with its principal business address located at 500 Southland Drive, Suite 224, Birmingham, AL 35226 (“**Franchisor**,” “**we**,” “**us**” or “**our**”), and _____ whose current principal place of business is _____ (“**Franchisee**,” “**you**” or “**your**”).

BACKGROUND INFORMATION

We entered into that certain Franchise Agreement (the “**Franchise Agreement**”) dated as of _____, 20__ with you, pursuant to which you plan to own and operate a Your Choice Senior Care Franchising, LLC franchise located at that certain location approved by us located at _____ pursuant to the Franchise Agreement between you and us dated _____, 20__ (the “**Approved Office Location**” or “**Site**”). In addition, pursuant to that certain Lease Agreement (the “**Lease**”), you have leased or will lease certain space containing the Your Choice Senior Care Franchising, LLC franchise described therein from _____ (the “**Lessor**”). The Franchise Agreement requires you to deliver this Assignment to us as a condition to the grant of a franchise.

We and you agree as follows:

1. **Background Information:** The background information is true and correct. This Assignment will be interpreted by reference to, and construed in accordance with, the background information.
2. **Incorporation of Terms:** Terms not otherwise defined in this Assignment have the meanings as defined in the lease.
3. **Indemnification of Us:** You agree to indemnify and hold us and our affiliate, if any, our members, directors, officers and representatives harmless from and against any and all losses, liabilities, claims, proceedings, demands, damages, judgments, injuries, attorneys’ fees, costs and expenses, that they incur resulting from any claim brought against any of them or any action which any of them may suffer, sustain or incur by reason of, or arising out of, your breach of any of the terms of the Lease, including the failure to pay rent or any other terms and conditions of the Lease.
4. **Assignment:** You grant to us a security interest in and to the Lease, all of the furniture, fixtures, computers, software inventory and supplies located in the Approved Location and the franchise relating to the Your Choice Senior Care Franchising, LLC franchise, and all of your rights, title and interest in and to the Lease as collateral for the payment of any obligation, liability or other amount owed by you or your affiliates (if permitted by us) to the Lessor arising under the Lease and for any of the terms and provisions of the Franchise Agreement. In the event of a breach or default by you under the terms of the Lease, or, in the event we make any payment to the Lessor as a result of your breach of the Lease, then such payment by us, or such breach or default by you, will at our option be deemed to be an immediate default under the Franchise Agreement, and we will be entitled to the possession of the Site and to all of your rights, title and interest in and to the Lease and to all other remedies described herein or in the Franchise Agreement or at law or in equity, without prejudice to any of our other rights or remedies under any other Agreements or under other applicable laws or equities. This Assignment will constitute a lien on your interest in and to the Lease until satisfaction in full of all amounts owed by you to us. In addition, our rights to assume all obligations

under the Lease provided in this Assignment are totally optional on our part. You agree to execute any and all Uniform Commercial Code financing statements and all other documents and instruments deemed necessary by us to perfect or document the interests and assignments granted herein.

5. **No Subordination:** You will not permit the Lease to become subordinate to any lien without first obtaining our written consent, other than the lien created by this Assignment, the Franchise Agreement, the Lessor's lien under the Lease, liens securing bank financing for your operations on the Site and the agreements and other instruments referenced herein. You will not terminate, modify or amend any of the provisions or terms of the Lease without our prior written consent. Any attempt at termination, modification or amendment of any of the terms without such written consent is null and void.

6. **Exercise of Remedies:** In any case of default by you under the terms of the Lease or under the Franchise Agreement, we will be entitled to exercise any one or more of the following remedies:

(a) to take possession of the Approved Location, or any part thereof, personally, or by our agents or attorneys;

(b) to, without notice and with or without process of law, enter upon and take and maintain possession of all or any part of the Approved Location, together with all your furniture, fixtures, inventory, books, records, papers and accounts;

(c) to exclude you, your agents or employees from the Approved Location;

(d) as your attorney-in-fact or in our own name, and under the powers herein granted, to hold, operate, manage and control the Franchised Business and conduct the business, if any thereof, either personally or by our agents, with full power to use such measures, legally rectifiable, as we may be deemed proper or necessary to cure such default, including actions of forcible entry or detainer and actions in distress of rent, hereby granting full power and authority to us to exercise each and every right or the rights, privileges and powers herein granted at any and all times hereafter;

(e) to cancel or terminate any unauthorized agreements or subleases entered into by you, for any cause or ground which would entitle us to cancel the same;

(f) to disaffirm any unauthorized agreement, sublease or subordinated lien, to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Site that may seem judicious;

(g) to insure and reinsure the same for all risks incidental to our possession, operation and management thereof; and/or

(h) notwithstanding any provision of the Franchise Agreement to the contrary, to declare all of your rights but not obligations under the Franchise Agreement to be immediately terminated as of the date of your default under the Lease.

7. **Power of Attorney:** You do hereby irrevocably appoint us as your true and lawful attorney-in-fact in your name and stead and hereby authorize us, upon any default under the Lease or under the Franchise Agreement, with or without taking possession of the Site, to manage and operate the Site and or rent or lease the site to any person, firm or corporation upon such terms and conditions as we may determine, and with the same rights and powers and immunities, exoneration of liability and rights of recourse and indemnity as we would have upon taking possession of the Site pursuant to the provisions set forth in the Lease. The power of attorney conferred upon us pursuant to this

Assignment is a power coupled with an interest and cannot be revoked, modified or altered without our written consent.

8. **Election of Remedies:** It is understood and agreed that the provisions set forth in this Assignment are deemed a special remedy given to us and are not deemed to exclude any of the remedies granted in the Franchise Agreement or any other agreement between the parties, but are deemed an additional remedy and are cumulative with the remedies therein and elsewhere granted to us, all of which remedies are enforceable concurrently or successively. No exercise by us or any of the rights hereunder will cure, waive or affect any default hereunder or default under the Franchise Agreement. No inaction or partial exercise of rights by us will be construed as a waiver of any of our rights and remedies and no waiver by us of any such rights and remedies will be construed as a waiver by us of any future rights and remedies.

9. **Binding Agreements:** This assignment and all provisions are binding upon the parties, their successors, assigns and legal representatives and all other persons or entities claiming under them or through them, or either of them, and the words “we”, “us” or “our” or “you” and “your” “includes all such persons and entities and any others liable for payment of amounts under the Lease or the Franchise Agreement. All individuals executing on behalf of corporate or other legal entities hereby represent and warrant that such execution has been duly authorized by all necessary corporate and shareholder or member authorizations and approvals.

10. **Assignment to Control.** This Assignment governs and controls over any conflicting provisions in the lease.

11. **Attorney’s Fees, Etc.** In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Assignment, the prevailing party will be entitled to recover its attorneys’ fees, costs and expenses relating to any trial or appeal (including, without limitation, paralegal fees) or arbitration or bankruptcy proceeding from the non-prevailing Party.

12. **Severability.** If any of the provisions of this Assignment or any section or subsection of this Assignment is to be held invalid for any reason, the remainder of this Assignment or any such section or subsection will not be affected there by and will remain in full force and effect in accordance with its terms.

[Signatures on page that follows.]

IN WITNESS WHEREOF, the Parties have caused this Assignment to be executed as of the day and year first above written.

“YOU”:

By: _____

Name: _____

Title: _____

Date: _____

“US”

**YOUR CHOICE SENIOR CARE
FRANCHISING, LLC**

By: _____

Name: _____

Title: _____

Date: _____

THIS CONDITIONAL ASSIGNMENT AND ASSUMPTION OF LEASE is accepted and agreed to by:

“Lessor”

By: _____

Name: _____

Its: _____

Date: _____

EXHIBIT “J” TO THE DISCLOSURE DOCUMENT

**FORM OF
PRINCIPAL OWNER’S GUARANTY**

PRINCIPAL OWNER'S GUARANTY

This Guaranty must be signed by each of the principal owners (referred to as “**you**” or “**your**” for purposes of this Guaranty only) of _____ (the “**Business Entity**”) under the Franchise Agreement dated _____, 20__ (the “**Agreement**”) with **YOUR CHOICE SENIOR CARE FRANCHISING, LLC** (“**Franchisor**,” “**we**,” “**us**” or “**our**”).

1. **Incorporation of Terms.** Each term of the Agreement is incorporated into this Guaranty.

2. **Guaranty.** In consideration of and as an inducement to us signing and delivering the Agreement, each of you signing this Guaranty personally and unconditionally: guarantees to us and our successors and assigns that (a) the Business Entity will punctually pay and perform every obligation and obey every restriction and covenant set forth in the Agreement and each and every Agreement entered into by and between Us and the Business Entity; and (b) each of you jointly and severally agrees to be personally bound by, and personally liable for the breach of, each and every obligation, restriction and covenant in the Agreement.

3. **Payment.** If the Business Entity fails to make any payment when due or otherwise defaults under any of the terms of the Agreement, immediately upon demand, you will pay to us the full amount owed, plus any interest or penalty allowed under the Agreement. All payments are made without set-off, deduction or withholding for any reason, and are final and free from any defense, claim or counterclaim of you, except the defense that the Business Entity has paid all obligations in full.

4. **Waivers.** Each of you waives: (a) acceptance and notice of acceptance by us of your obligations under this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed by you; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by you; (d) any right you may have to require that an action be brought against the Business Entity or any other person as a condition of your liability; (e) all rights to payments and claims for reimbursement or subrogation which you may have against the Business Entity arising as a result of your execution of and performance under this Guaranty; and (f) all other notices and legal or equitable defenses to which you may be entitled in your capacity as guarantors.

5. **Consents and Agreements.** Each of you consents and agrees that: (a) your direct and immediate liability under this Guaranty as joint and several; (b) you must render any payment or performance required under the Agreement upon demand if the Business Entity fails or refuses punctually to do so; (c) your liability will not be contingent or conditioned upon our pursuit of any remedies against the Business Entity or any other person; (d) your liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which we may from time to time grant to the Business Entity or to any other person, including without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims and no such indulgence will in any way modify or amend this Guaranty; and (e) this Guaranty will continue and is irrevocable during the term of the Agreement and, if required by the Agreement, after its termination or expiration.

6. **Enforcement Costs.** If we are required to enforce this Guaranty in any judicial or arbitration proceeding or any appeals, you must reimburse us for our enforcement costs. Enforcement costs include reasonable accountants', attorneys', attorney's assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, arbitration filing fees, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation

for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.

7. **Effectiveness.** Your obligations under this Guaranty are effective on the Agreement Date, regardless of the actual date of signature. Each of you agrees that this “Principal Owners Guaranty” may be executed electronically by any means Franchisor chooses, and if by electronic signature, the electronic signature shall be binding to the same extent as an original signature with regard to this “Principal Owners Guaranty.” You are not entitled to challenge the validation or authenticity of the electronic signature or this document on the ground that it is not an original. Terms not otherwise defined in this Guaranty have the meanings as defined in the Agreement. This Guaranty is governed by Alabama law and we may enforce your rights regarding it by arbitration in Shelby County, Alabama, or if we no longer maintain an office in Shelby County, Alabama then our home office. Arbitration shall be conducted in accordance with the United States Arbitration Act (9 U.S.C. Section 1, *et seq.*), if applicable, The Rules of the American Arbitration Association relating to the Arbitration of disputes arising under franchise and license agreements, if any, otherwise, the general rules of commercial arbitration, provided that the arbitrator shall award, or include in his/her award, the specific performance of this Agreement, and the arbitrator shall issue a written opinion explaining the reasons for his/her decision and award. If a claim for amounts owed by you to us is asserted in the arbitration proceeding and if we shall prevail on such claim, we shall be entitled to so much of our cost and expenses including accounting and legal fees, as are attributable to the prosecution thereof. Judgment upon the award of the arbitrator may be entered in any court having jurisdiction thereof or of us or of you.

Each of you now signs and delivers this Guaranty effective as of the date of the Agreement regardless of the actual date of signature.

PERCENTAGE OF OWNERSHIP

GUARANTORS

DATE _____

EXHIBIT “K” TO THE DISCLOSURE DOCUMENT

**FORM OF
PRINCIPAL OWNER’S STATEMENT**

PRINCIPAL OWNER'S STATEMENT

This form must be completed by you if you have multiple owners or if you, or your franchised business, is owned by a business organization (like a corporation, partnership or limited liability company). We are relying on the truth and accuracy of this form in awarding the Franchise Agreement to you.

1. **Form of Owner.** Franchisee is a (check one):

- (a) General Partnership _____ ☐
- (b) Corporation _____ ☐
- (c) Limited Partnership _____ ☐
- (d) Limited Liability Company _____ ☐
- (e) Other _____ ☐

Specify: _____

Franchisee was formed under the laws of _____.
(State)

2. **Business Entity.** Franchisee was incorporated or formed on _____, 20__, under the laws of the State of _____. Franchisee has not conducted business under any name other than your corporate, limited liability company or partnership name and _____. The following is a list of all persons who have management rights and powers (e.g., officers, managers, partners, etc.) and their positions are listed below:

<u>Name of Person</u>	<u>Position</u>
_____	_____
_____	_____
_____	_____
_____	_____

3. **Owners.** The following list includes the full name and mailing address of each person who is one of your owners and fully describes the nature of each owner's interest. Attach additional sheets if necessary.

<u>Owner's Name and Address</u>	<u>Description of Interest</u>
_____	_____
_____	_____
_____	_____
_____	_____

4. **Governing Documents.** Attached are copies of the documents and contracts governing the ownership, management and other significant aspects of the business organization (e.g., operating agreement, certificate of formation, articles of incorporation or organization, partnership or shareholder agreements, etc.)

This Statement of Principal Owner's is current and complete as of _____, 20__.

You agree that this document may be executed electronically by any means Franchisor chooses, and if by electronic signature, the electronic signature shall be binding to the same extent as an original signature and shall be deemed an original signature with regard to this document. You are not entitled to challenge the validation or authenticity of the electronic signature or this document on the ground that it is not the original.

OWNER

INDIVIDUALS

[Signature]

[Print Name]

[Signature]

[Print Name]

**CORPORATION, LIMITED LIABILITY
COMPANY OR PARTNERSHIP**

[Name]

By: _____

Title: _____

EXHIBIT “L” TO THE DISCLOSURE DOCUMENT

**FORM OF
CONFIDENTIALITY, NON-SOLICITATION AND NON-COMPETITION
AGREEMENT FOR FRANCHISE AGREEMENT**

**CONFIDENTIALITY, NON-SOLICITATION AND
NON-COMPETITION AGREEMENT**

NAME: _____

FRANCHISEE: _____

HOME ADDRESS: _____

HOME TELEPHONE: _____

CLASSIFICATION: _____

(Owner, Shareholder, Officer, Director, Attorney, Employee, etc.)

_____ (“Franchisee”) is a franchisee of Your Choice Senior Care Franchising, LLC (“Franchisor”) pursuant to a Franchise Agreement entered into by Franchisee and Franchisor dated _____, 20__ (the “Franchise Agreement”). I agree that, unless otherwise specified, all terms in this Agreement have those meanings ascribed to them in the Franchise Agreement.

I agree that during the term of my employment by, ownership participation in, association with or service to Franchisee, or at any time thereafter, I will not communicate, divulge or use for the benefit of any other person, persons, partnership, proprietorship, association, corporation or entity any confidential information, knowledge or know-how concerning the systems of operation, services, products, clients or practices of Franchisee and/or Franchisor.

Any and all information, knowledge, know-how, techniques and information which the entities mentioned above or their officers designate as confidential will be Confidential Information for the purposes of this Agreement, except information which I can demonstrate came to my attention before disclosure or which had become or becomes a part of the public domain through publication or communication by others (unless the publication or communication is in violation of a similar confidentiality agreement), but in no event through any act of mine.

I will at no time copy, duplicate, record or otherwise reproduce any of the Confidential Information or material containing it, in whole or in part, store them in a computer retrieval or data base, nor otherwise make them available to any unauthorized person. Upon the expiration or other termination for any reason of my employment, association, service, or ownership, I agree to return to Franchisor or Franchisee, as the case may be, all Confidential Information or material containing it (in whole or in part) in my possession utilized during my employment, association, service or ownership participation.

I further agree that during the term of my ownership, employment, association, service or participation, and under the circumstances set forth in the following paragraph, for a period of two years immediately following its expiration or termination for any reason, I will not, directly or indirectly engage or participate in any Competitive Business, as defined below, which is located within fifteen (15) miles of the Franchised Business or provides such services to customers within fifty (50) miles of the perimeter of any Protected Territory of any franchisee operating under the Your Choice Senior Care Franchising, LLC system. I agree that I am prohibited from engaging in any Competitive Business as a proprietor, partner, investor, shareholder, director, officer,

employee, principal, agent, advisor, or consultant.

The term “Competitive Business” as used in this Agreement means any business or facility owning, operating or managing, or granting franchises or licenses to others to do so, any sale of goods or services or facility, owning, operating, managing, franchising or licensing, selling any services, items, products similar to those offered by any franchisees of Your Choice Senior Care Franchising, LLC, including but not limited to, hands-on personal non-medical care, in-home care, assistance and/or companionship care and related services to seniors and other adults. This “exclusivity” is construed in accordance with and/or is governed by (as applicable) the law of the State of Alabama without recourse to Alabama (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of Alabama, and if the franchised Business is located outside of Alabama and the provision would be enforceable under the laws of the state in which the franchised Business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Agreement is intended to invoke the application of any franchise, business opportunity, antitrust, “implied covenant”, unfair competition, fiduciary or any other doctrine of law of the State of Alabama or any other state, which would not otherwise apply.

I further agree that all disputes and claims relating to this Agreement and of the Franchise Agreement (other than your engaging in a Competitive Business, as defined above, upon termination or expiration of the Franchise Agreement, the use of our name or trademarks) shall be settled by Arbitration in Shelby County, Alabama. Arbitration shall be conducted in accordance with the United States Arbitration Act (9 U.S.C. Section 1, *et seq.*), if applicable, and the Rules of the American Arbitration Association (relating to the arbitration of disputes arising under franchise and license agreements, if any, otherwise, the general rules of commercial arbitration), provided that the arbitrator shall award, or include in his/her award, the specific performance or injunction remedies of this Agreement, and the arbitrator shall issue a written opinion explaining the reasons for his/her decision and award. Judgment upon the award of the arbitrator may be entered in any court having jurisdiction thereof or of Franchisor, Franchisee or me as an owner, shareholder, officer, director, attorney, employee or any other relationship I have with the Franchisee. During the pendency of an arbitration proceeding hereunder, Franchisee and Franchisor shall fully perform and comply with the provisions of this Agreement.

I hereby waive and covenant never to assert or claim that arbitration is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

I hereto agree that this document may be executed electronically by any means Franchisor chooses, and if by electronic signature, the electronic signature shall be binding to the same extent as an original signature and shall be deemed an original signature with regard to this document. You are not entitled to challenge the validation or authenticity of the electronic signature or this document on the ground that it is not the original.

Witness:

Date

(Signature)

(Printed Name)

EXHIBIT “M” TO THE DISCLOSURE DOCUMENT

**FORM OF
FRANCHISEE QUESTIONNAIRE**

YOUR CHOICE SENIOR CARE FRANCHISING, LLC
FRANCHISEE QUESTIONNAIRE

Prior to the final execution of a Franchise Agreement, this questionnaire must be completed in its entirety.

1. Full Name of Franchisee:

2. Franchisee Office Location:

3. Franchisee is: (check applicable box)

- ☐ Individual ☐ Corporation ☐ General Partnership ☐ Limited Partnership
☐ Limited Liability Company ☐ Other _____

4. If Franchisee is other than an individual, indicate the capacity in which the undersigned is authorized to act on behalf of the Franchisee: (check applicable box)

☐ Officer (insert title): _____

☐ General Partner

☐ Other (please explain): _____

5. Did Franchisee receive a Franchise Disclosure Document? ☐ Yes ☐ No

6. Name of our Company Representative who primarily worked with you on this sale:

7. Have you discussed the benefits and risks of operating a Your Choice Senior Care Franchising, LLC Franchise with an attorney, accountant or other professional advisor?

_____ **Yes / No**

8. Do you understand the success or failure of your business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?

_____ Yes / No

9. Has any Your Choice Senior Care Franchising, LLC employee or representative speaking on our behalf made any statement or promise concerning the revenues, profits or operating costs of a Your Choice Senior Care Franchising, LLC Franchise that we or our franchisees operate?

_____ Yes / No

10. Has any Your Choice Senior Care Franchising, LLC employee or representative speaking on our behalf made any statement or promise concerning a Your Choice Senior Care Franchising, LLC Franchise that is contrary to, or different from, the information contained in our Disclosure Document?

_____ Yes / No

11. Has any Your Choice Senior Care Franchising, LLC employee or representative speaking on our behalf made any statement or promise regarding the amount of money you may earn in operating a Your Choice Senior Care Franchising, LLC Franchise?

_____ Yes / No

12. Has any Your Choice Senior Care Franchising, LLC employee or representative speaking on our behalf made any statement or promise concerning the total amount of revenue a Your Choice Senior Care Franchising, LLC Franchise will generate?

_____ Yes / No

13. Has any Your Choice Senior Care Franchising, LLC employee or representative speaking on our behalf made any statement or promise regarding the costs you may incur in operating a Your Choice Senior Care Franchising, LLC Franchise that is contrary to, or different from, the information contained in our Disclosure Document?

_____ Yes / No

14. Has any Your Choice Senior Care Franchising, LLC employee or representative speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Your Choice Senior Care Franchising, LLC Franchise?

_____ Yes / No

15. If you have answered “Yes” to the above questions, please provide a full explanation of your answer in the following blank lines. Attach additional pages, if necessary. If you answered “No”, leave the following lines blank.

EXHIBIT “N” TO THE DISCLOSURE DOCUMENT

**STATE SPECIFIC AND OTHER
ADDENDA AND RIDERS**

EXHIBIT “O” TO THE DISCLOSURE DOCUMENT

**FORM OF
RELEASE**

FORM OF RELEASE

The following is our current general release form that we expect to include in a release that a franchisee and/or transferor may sign as part of a renewal, approved transfer or purchase by us of the assets of a franchisee's **Your Choice Senior Care Franchising, LLC** Franchise. We may periodically modify the release.

THIS RELEASE is given by _____ and their predecessors, agents, affiliates, legal representatives, successors, assigns, heirs, beneficiaries, executors and administrators (collectively, "**we**," "**us**" or "**ours**"), to Your Choice Senior Care Franchising, LLC and all of its predecessors, affiliates, owners, officers, employees, legal representatives, directors, successors and assigns, and their heirs, beneficiaries, executors and administrators (sometimes hereafter collectively referred to as "**you**" or "**your**"). Effective on the date of this Release, we forever release and discharge you from any and all claims, causes of action, suits, debts, agreements, promises, demands, liabilities, contractual rights and/or obligations, of whatever nature or kind, in law or in equity, which we now have or ever had against you, including without limitation, anything arising out of that certain Franchise Agreement dated _____, 20__ (the "**Franchise Agreement**"), the franchise relationship between the parties, and any other relationships between you and us; except your obligations under the _____ Agreement. This Release is effective for: (a) any and all claims and obligations, including those of which we are not now aware; and (b) all claims we have from anything which has happened up to now; provided, however, that all liabilities arising under Indiana Code Sec. 23-2-2.7, the Maryland Franchise Registration and Disclosure Law and/or the Minnesota Franchise Act are excluded from this release, and that all rights enjoyed by us under the Franchise Agreement and any causes of action arising in our favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder will remain in force; it being the intent of this provision that the non-waiver provisions of General Business Law, Paragraphs 687.4 and 687.5 be satisfied. If we are domiciled or have our principal place of business in the State of California, then we hereby expressly waive and relinquish all rights and benefits under Section 1542 of the California Civil Code, which provides: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.".

We are bound by this Release. We freely and voluntarily give this Release to you for good and valuable consideration and we acknowledge its receipt and sufficiency.

We represent and warrant to you that we have not assigned or transferred to any other person any claim or right we had or now have relating to or against you.

In this Release, each pronoun includes the singular and plural as the context may require.

This Release is governed by Alabama law.

This Release is effective _____, 20__, notwithstanding the actual date of signatures.

IN WITNESS WHEREOF, the undersigned execute this Release:

By: _____

Name: _____

Title: _____

Date: _____

(STATE OF _____)

(COUNTY OF _____)

The foregoing instrument was acknowledged before me this the ____ day of _____, 20____, by _____, who is personally known to me or has produced _____ as identification.

Signature of Notary

Printed Name of Notary

My Commission Expires: _____

EXHIBIT “P” TO THE DISCLOSURE DOCUMENT

RECEIPTS

State Effective Dates

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

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.

RECEIPT
(Retain this copy for your records)

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Your Choice Senior Care Franchising, LLC 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 that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement for the payment of any consideration that relates to the franchise relationship.

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

If Your Choice Senior Care Franchising, LLC 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agency in Exhibit "F".

The franchisor is Your Choice Senior Care Franchising, LLC, located at 500 Southland Drive, Suite 224, Birmingham, AL 35226. Its telephone number is (833) 227-3324.

Issuance Date: May 16, 2025

The franchise seller for this offering is [check one]

___ Joe Soles ___ George Heinemann

whose principal business address and telephone number are 500 Southland Drive, Suite 224, Birmingham, AL 35226, (833) 227-3324.

Your Choice Senior Care Franchising, LLC authorizes the respective state agencies identified in Exhibit "F" to receive service of process for it in their particular state.

I received a disclosure document dated May 16, 2025 that included the following Exhibits:

Exhibit A	Financial Statements	Exhibit I	Form of Conditional Assignment and Assumption of Lease
Exhibit B	List of Franchisees	Exhibit J	Form of Principal Owner's Guaranty
Exhibit C	List of Franchisees Who Have Left the System	Exhibit K	Form of Principal Owner's Statement
Exhibit D	Form of Confidential Operating Manual Table of Contents	Exhibit L	Form of Confidentiality, Non-Solicitation and Non-Competition Agreement for Franchise Agreement
Exhibit E	Form of Key-Employee Manager Confidentiality Agreement	Exhibit M	Franchisee Questionnaire
Exhibit F	List of State Agencies/Agents for Service of Process	Exhibit N	State Specific and other Addenda and Riders
Exhibit G	Form of Franchise Agreement	Exhibit O	Form of Release
Exhibit H	Form of Conditional Assignment of Telephone Numbers and Listings	Exhibit P	Receipts

Date Received

Prospective Franchisee Signature

Print Name

RECEIPT
(Sign, Date, and return this copy to us)

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Your Choice Senior Care Franchising, LLC 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.

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Date Received

Prospective Franchisee Signature

Print Name