

ALVITA® CARE FRANCHISE DISCLOSURE DOCUMENT



ALVITA CARE FRANCHISE, LLC
a Delaware limited liability company
231 W. 29th St.
#400
New York, NY 10001
(212) 273-0490
<https://alvitacare.com/>

The franchise is for an ALVITA® CARE Business (the “**Business**”), a system for operating and managing home healthcare services, recruiting and supplying personnel to provide home healthcare services by certain licensed professionals, and other services and products that we authorize from time to time.

The total investment necessary to begin operation of an Alvita® Care Business ranges from \$109,725 to \$178,725. This investment amount includes \$55,000 to \$65,000 that must be paid to the franchisor.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Moshe Zaghi at telephone number (212) 273-0490.

The terms of your contract will govern your franchise relationship. Don’t 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 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 (the “**FTC**”). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: April 21, 2023

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits and 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 “L” and “M.”
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 supplies you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 2, 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 ALVITA® CARE 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 an ALVITA® CARE franchisee?	Item 20 or Exhibits “L” and “M” 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 registration requirements, or to contact your state, use the agency information in Exhibit “D.”

Your state also may have laws and 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 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 Delaware. 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 Delaware 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 require other risks to be highlighted.

**THE FOLLOWING PROVISIONS APPLY ONLY TO
TRANSACTIONS GOVERNED BY
THE MICHIGAN FRANCHISE INVESTMENT LAW**

**THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS
THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE
FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE
PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.**

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

- (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
CONSUMER PROTECTION DIVISION
Attention: Antitrust & Franchise
G. Mennen Williams Building, 1st Floor
525 West Ottawa
Lansing, Michigan 48909
Telephone Number: (517) 373-7117

TABLE OF CONTENTS

ITEM 1	FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES.....	1
ITEM 2	BUSINESS EXPERIENCE.....	4
ITEM 3	LITIGATION	5
ITEM 4	BANKRUPTCY	5
ITEM 5	INITIAL FEES	5
ITEM 6	OTHER FEES	5
ITEM 7	ESTIMATED INITIAL INVESTMENT	8
ITEM 8	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.....	11
ITEM 9	FRANCHISEE’S OBLIGATIONS	12
ITEM 10	FINANCING	13
ITEM 11	FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING.....	14
ITEM 12	TERRITORY.....	22
ITEM 13	TRADEMARKS	24
ITEM 14	PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION.....	25
ITEM 15	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	25
ITEM 16	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	26
ITEM 17	RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION	27
ITEM 18	PUBLIC FIGURES	30
ITEM 19	FINANCIAL PERFORMANCE REPRESENTATIONS	30
ITEM 20	OUTLETS AND FRANCHISEE INFORMATION	33
ITEM 21	FINANCIAL STATEMENTS.....	35
ITEM 22	CONTRACTS	35
ITEM 23	RECEIPT	35

EXHIBITS:

Exhibit "A"	FINANCIAL STATEMENTS
Exhibit "B"	FRANCHISE AGREEMENT
Exhibit "C"	TABLE OF CONTENTS OF MANUALS
Exhibit "D"	LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS
Exhibit "E"	STATE SPECIFIC ADDENDA AND RIDERS
Exhibit "F"	GENERAL RELEASE
Exhibit "G"	FORM OF PRINCIPAL OWNER'S GUARANTY
Exhibit "H"	FORM OF PRINCIPAL OWNER'S STATEMENT
Exhibit "I"	FORM OF CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS, LISTINGS AND INTERNET ADDRESSES
Exhibit "J"	FORM OF CONFIDENTIALITY, NONSOLICITATION AND NONCOMPETITION AGREEMENT
Exhibit "K"	FORM OF CONDITIONAL ASSIGNMENT AND ASSUMPTION OF LEASE
Exhibit "L"	LIST OF FRANCHISEES
Exhibit "M"	LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM
Exhibit "N"	FRANCHISE COMPLIANCE CERTIFICATE
Exhibit "O"	STATE EFFECTIVE DATES
Exhibit "N"	RECEIPTS

Applicable state law may require additional disclosures related to the information contained in this disclosure document. These additional disclosures, if any, appear as an addendum or rider in Exhibit "E."

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

The Franchisor

The Franchisor is **ALVITA CARE FRANCHISE, LLC**, referred to as “we,” “us” or “our.” We also do business under the name “Alvita® Care.” “You” or “your” means a person who buys the right to operate an Alvita® Care Business from us. If you are a corporation, partnership or other entity, certain provisions of our Franchise Agreement also will apply to your owners. This disclosure document will indicate when your owners are also covered by a particular provision.

We are a Delaware limited liability company that was formed on January 26, 2023. Our principal business address is 231 W. 29th St., #400, New York, NY 10001, and our telephone number is (212) 273-0490. Our registered agent for service of process in Delaware is Registered Agent Solutions, Inc., 8738 Walker Road, Suite 21-2, Dover, Delaware 19904. Our agents for service of process in the states that require franchise registration are listed in Exhibit “D” to this disclosure document. We do not do business under any names other than our corporate name and the trade name “Alvita® Care.”

We offer franchises for businesses that provide home healthcare services to patients by certain licensed and qualified healthcare providers using methods and systems developed by us and our affiliates (the “Alvita® Care Business” or “Business(es)”). We are not engaged in any business other than the offering of Alvita® Care Business franchises. We began offering franchises on the issuance date of this disclosure document. We do not offer franchises in any other line of business. We do not operate any Alvita® Care Businesses but our affiliates do.

Parents, Predecessors and Affiliates

Our parent and sole member is Alvita Care Holdings, Inc. (“HoldCo”). HoldCo was incorporated in Delaware on January 25, 2023. Its principal business address is the same as ours. HoldCo has no obligations to franchisees and does not provide any services to franchisees. HoldCo has not and does not offer franchises in any line of business and it does not operate an Alvita® Care Business.

We do not have any predecessors.

Our affiliates are as follows:




Name	Where & When Formed	Address & Telephone Number	Business
Home Life Health Care, LLC (“HLHC NY”)	New York 07/29/2011	231 W. 29th St. #400 New York, NY 10001	Owns Marks (as defined below) Nurses, Aides & Companions in New York
HLHC, LLC (“HLHC NJ”)	New Jersey 08/2015	231 W. 29th St. #400 New York, NY 10001	Nurses, Aides & Companions in New Jersey
Alvita Management Services, LLC (“AMS”)	New York 09/14/2020	231 W. 29th St. #400 New York, NY 10001	Management Services to HLHC NY and HLHC NJ and Franchisor

None of our affiliates provide services to our franchisees. Our affiliates have not ever offered franchises in any line of business.

The Business

We and our affiliates have expended considerable time and effort to develop a system for managing and operating a home healthcare business providing the following services: home care, private duty nursing (for those with advanced medical needs who require highly specialized assistance is the private duty nursing team), companion services, non-medical home personal care services, hospice care, bedside care at hospitals and skilled nursing facilities, care management (Client Care Managers (CCMs) serve as advocates for our clients and as liaisons to their families), and specialty care. You are not permitted to provide staffing services unless approved in writing to do so by us, which requires compliance with any additional training requirements (as outlined in Items 5 and 6). One of the differentiators for our system is the 24/7 availability for their clients and client families. You will be required to adhere to those customer service standards. While our business operates by using certain licensed and qualified healthcare provider professionals (“**Licensed Provider(s)**”), such as registered nurses, licensed practical nurses, medical social workers, and home health aides as well as other personnel, it can be managed by an un-Licensed Provider, such as an Administrator. The Licensed Providers of Alvita® Care Businesses can provide nearly any medical service that is required upon discharge by a hospital, except physician administered and supervised services by licensed physicians (and others employed by them) and surgical services. You are not permitted to accept Medicare or Medicaid.

The Franchise Offered

The Alvita® Care Business that you will establish and operate is referred to in this disclosure document as your “**Franchised Business.**” We will grant you a license to use certain logos, service marks and trademarks, including the trademarks and service marks “ALVITA®”  “ALVITA®” and  “” (collectively, the “**Marks**”) and certain methods, formats, systems, procedures and technology in the operation of your Franchised Business. Our affiliate, HLHC NY, owns the Marks and licenses them to us and we will sublicense to our franchisees under the franchise agreement. The “**Marks**” also include our distinctive trade dress used to identify Alvita® Care Businesses, whether now in existence or created in the future. You must sign a franchise agreement (the “**Franchise Agreement**”). You will operate your Franchised Business in accordance with the Franchise Agreement in the form attached to this disclosure document as Exhibit “B.”

Alvita® Care Businesses are characterized by a system which includes, without limitation, our methods and procedures for the establishment, management and operation of Alvita® Care Businesses, including, without limitation, the Marks, distinctive business formats, methods, procedures, designs, layouts, signs, trade dress, standards and specifications, Manuals (as defined below) and operating system, all of which we may improve, further develop or otherwise modify from time to time (collectively, the “**System**”). The operational aspects of an Alvita® Care Business are contained within our confidential operating manuals (collectively, the “**Manuals**”). You will operate your Franchised Business as an independent business using the Marks, the System, the “Alvita® Care Business” name, as well as the support, guidance and other methods and materials provided or developed by us. You will provide the authorized services and products to clients. For uniformity and brand integrity, you may not offer any other services or products without our prior written approval.

Your Franchised Business must have one or more Licensed Providers. You (if you are a Licensed Provider) or other Licensed Providers that you engage will be involved in the operations of your Franchised Business in accordance with federal, and your state’s, laws and regulations, your Franchise Agreement, and

the Manuals. The Franchise Agreement will not interfere, affect, or limit the independent exercise of healthcare treatment or professional judgment by the Licensed Providers.

Market and Competition

An Alvita® Care Business competes primarily with other businesses that provide home healthcare services to patients which may include other medical businesses, clinics and hospitals that are also licensed to perform these services. The market for home healthcare services is well-established and highly competitive. However, we believe that we have generated continued demand for the services of Alvita® Care Business Businesses and we have created ongoing brand recognition through our research and development of the System.

Laws and Regulations

You must comply with all federal and state licensing and other regulatory requirements relating to the operation of your Franchised Business. In addition to laws and regulations that apply to businesses generally, you must comply with all healthcare regulations under federal, state and local laws that apply to the management and operation of an Alvita® Care Business. You will be required to secure and maintain in force all required healthcare licenses, permits and certificates relating to the operation of your Franchised Business and the other licenses that apply to any Licensed Providers or other employees.

Various federal and state laws regulate the privacy and security of patient healthcare information. For example, under the federal Health Insurance Portability and Accountability Act (HIPAA), as amended by the federal Health Information Technology for Economic and Clinical Health (HITECH) Act, healthcare providers must keep patient healthcare information confidential and only disclose such information to third parties when requests are properly submitted. In addition, you must ensure the privacy and security of patient healthcare information you share with any “**business associate**” as defined under the HITECH Act, such as service providers, attorneys, or third-party insurance billing companies. Many states also have laws regulating the privacy and security of patient healthcare information. These state laws may impose further restrictions on obligations related to the privacy and security of such information.

Many states and local jurisdictions have enacted laws, rules, regulations and ordinances that may apply to the operation of your Franchised Business. For example, state licensing and certification requirements may apply to persons who perform services for you or at your Franchised Business. These laws and regulations may also impose restrictions on referrals for designated health services to entities with which you have financial relationships. In all cases, you must also comply with laws that apply generally to all businesses. You should investigate these laws, and consult with a legal advisor about whether these and/or other requirements apply to your franchise. Violations of these laws and regulations may result in substantial civil or criminal penalties for individuals or entities. The Franchise Agreement will in no way interfere, affect or purport to limit the independent exercise of medical judgment by you, or your employees, or agents. All medical and healthcare related decisions, acts or omissions made by, or in connection with, any person in any way associated with you or your franchise will be the decisions of the individual professionals involved and will not be affected by or attributed to us.

We do not intend for our licensing or franchising of, or providing services to, Businesses to constitute our engagement in the practice of professional, healthcare, or any other profession requiring specialized training, certification or licensure, including the ordering of any specific or type of care, analysis or examination of any individual whatsoever (collectively, the “**Practice of a Profession**”). The Practice of a Profession in any manner provided through your Franchised Business must only be performed by certain qualified and licensed healthcare providers or other properly trained, certified and Licensed Providers, in categories of service which we designate or approve (i.e., registered nurses, licensed practical

nurses, certified nursing assistants, or medical social worker). In some states, operation of, or operation of certain aspects of an Alvita® Care Business may be considered the practice of medicine, healthcare or other forms of a Practice of a Profession and may or may not require a medical or some other form of professional license or certification which you may be required to obtain, or some other form of license or certification your personnel must obtain before your or their operation of your Franchised Business.

You should check the various state and federal laws and regulations governing (i) the practice of healthcare and other professions; (ii) patient privacy and other areas related to healthcare, diagnostic, or health and wellness procedures, therapies, treatments, tests or screenings; and (iii) physician and patient referrals, and certain entities involved in the field of healthcare and other fields of the Practice of a Profession.

There may be other local, state and/or federal laws or regulations pertaining to your Franchised Business with which you must comply. We strongly suggest that you investigate these laws before investing in this franchise.

ITEM 2 BUSINESS EXPERIENCE

CEO: Tracy Ongena

Tracy Ongena is our founder and has been our CEO since our inception in January 2023. Ms. Ongena has served as CEO of: (i) HoldCo since January 2023; (ii) AMS since September 2020; (iii) HLHC NJ since August 2015; and (iv) HLHC NY since July 2011. Ms. Ongena is also the founder of HoldCo, AMS, HLHC NJ and HLHC NY.

President: Anosh Moosa (“Moshe”) Zaghi

Anosh Moosa (“Moshe”) Zaghi has been our President since our inception in January 2023. Mr. Zaghi has served as President of AMS, HLHC NJ, and HLHC NY since September 2022. Prior to that, Mr. Zaghi served as (i) CFO of Optima Dermatology in Portsmouth, New Hampshire from September 2020 to September 2022; and (ii) Senior Manager of Bain & Company in Atlanta, Georgia from August 2017 to January 2021.

COO: Michael McGee

Michael McGee has served as our COO since our inception in January 2023. Mr. McGee has served as COO of AMS, HLHC NJ, and HLHC NY since January 2023. Prior to that, Mr. McGee served as (i) Vice President of Strategy for Foundation Partners Group in Orlando, Florida from July 2021 to December 2022; and (ii) Senior Manager of Bain & Company in Atlanta, Georgia from June 2018 to June 2021.

Vice President of Strategy & Operations: Paula Cheng

Paula Cheng will begin serving as our Vice President of Strategy & Operations in May 2023. Prior to that, Ms. Cheng served as (i) Senior Manager, Business Operations for Shef in New York City, New York from June 2022 to April 2023; (ii) Manager, New Verticals (DashMart) for DoorDash in New York City, New York from September 2020 to June 2022; and (ii) Senior Associate Consultant of Bain & Company in Atlanta, Georgia from October 2017 to September 2020.

Vice President of Finance: Kory Nadeau

Kory Nadeau has served as our Vice President of Finance since our inception in January 2023. Mr. Nadeau has served as Vice President of Finance of AMS, HLHC NJ, and HLHC NY since November 2022. Prior to that, Mr. Nadeau served as (i) Director of Finance of Optima Dermatology in Portsmouth, New Hampshire from March 2021 to November 2022; and (ii) Finance Manager of Covetrus/SmartPak in Plymouth, Massachusetts from June 2018 to March 2022.

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

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

ITEM 5 INITIAL FEES

If you are not approved by us to provide staffing services through your Franchised Business, you must pay us an initial franchise fee of \$55,000 for a Protected Area consisting of population of not less than 15,000 persons at least 65 years of age (the “**Initial Franchise Fee**”) when you and we enter into the Franchise Agreement. The Initial Franchise Fee will be increased by \$2,500 for each additional 1,000 person block of at least 65 years of age. For example, if the Protected Area consisted of 20,000 persons of at least 65 years of age, the Initial Franchise Fee would increase to \$67,500.

If we approve you to provide staffing services through your Franchised Business, you must pay us an initial franchise fee of \$65,000 for a Protected Area consisting of population of not less than 15,000 persons at least 65 years of age (the “**Non-Standard Initial Franchise Fee**”) when you and we enter into the Franchise Agreement. The Non-Standard Initial Franchise Fee will be increased by \$2,500 for each additional 1,000 person block of at least 65 years of age.

Except as stated above, the Initial Franchise Fee and Non-Standard Initial Franchise Fee are uniformly imposed and non-refundable. The Initial Franchise Fee and Non-Standard Initial Franchise Fee are fully earned when paid.

ITEM 6 OTHER FEES

Type of Fee ⁽¹⁾	Amount	Due Date	Remarks												
Royalty Fee	(i) 6% of Gross Receipts ⁽²⁾ per Accounting Period ⁽⁴⁾ that have not been provided to you by us for closed Business; plus (ii) 2% of Gross Receipts ⁽²⁾ per Accounting Period ⁽⁴⁾ that have been provided to you by us for a closed Business.	On the Payment Day ⁽⁴⁾	<p>If applicable federal or state laws or regulations will not permit the payment of Royalties based on Gross Receipts, then we may require you to pay Royalties to us equal to the following:</p> <table border="1"> <thead> <tr> <th>Period</th> <th>Monthly/Weekly Royalty</th> </tr> </thead> <tbody> <tr> <td>Months 1 - 12</td> <td>\$2,500 / \$577</td> </tr> <tr> <td>Months 13 - 24</td> <td>\$6,000 / \$1,385</td> </tr> <tr> <td>Months 25 - 36</td> <td>\$8,750 / \$2,020</td> </tr> <tr> <td>Months 37 - 48</td> <td>\$10,000 / \$2,300</td> </tr> <tr> <td>Thereafter</td> <td>\$10,500 / \$2,355</td> </tr> </tbody> </table>	Period	Monthly/Weekly Royalty	Months 1 - 12	\$2,500 / \$577	Months 13 - 24	\$6,000 / \$1,385	Months 25 - 36	\$8,750 / \$2,020	Months 37 - 48	\$10,000 / \$2,300	Thereafter	\$10,500 / \$2,355
Period	Monthly/Weekly Royalty														
Months 1 - 12	\$2,500 / \$577														
Months 13 - 24	\$6,000 / \$1,385														
Months 25 - 36	\$8,750 / \$2,020														
Months 37 - 48	\$10,000 / \$2,300														
Thereafter	\$10,500 / \$2,355														

Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Brand Marketing Fund Contribution	Up to 2% of Gross Receipts ⁽²⁾ per Accounting Period ⁽⁴⁾ . Currently, 1%.	On the Payment Day.	If applicable laws or regulations will not permit the payment of Marketing Fund Contributions based on Gross Receipts, then we may require you to Marketing Fund Contributions to us equal to the average amount we received from all franchised Businesses in the immediately preceding Accounting Period ⁽⁴⁾ and we will notify you of the amount. You are required to pay the Marketing Fund Contribution by electronic funds transfer.
Technology Fee	Up to \$250 per week (currently, \$175)	On the Payment Day.	The Technology Fee is used to pay third-party designated vendors for ongoing services including the reporting system and business portal. This amount may be increased by 10% annually but will not exceed \$250.
Local Advertising	Greater of 2% of monthly Gross Receipts or \$1,000 per month	As incurred	All advertising must meet our approval.
Initial Launch Program	At least \$3,000	Within 60 days of the Opening Date	The Initial Launch Program is to introduce your Franchised Business and increase brand recognition in your local market. All advertising must meet our approval.
Additional On-site Training Fee	Currently, \$500 per day, per trainer, plus our personnel's reasonable travel, meals lodging and other expenses	10 days after invoicing.	We provide 4 days of on-site assistance within the first 60 days after the opening date but if you request additional on-site training, you must pay us a fee and reimburse us for the expenses incurred by our trainer(s).
Ongoing Training Session Fee	Currently, \$300 per training session	Before training begins.	Payable if we offer refresher or additional training courses for you. You will also be responsible for all of your and your personnel's travel, meals lodging and other expenses. We may make these courses mandatory.
Mandatory Annual Training	Currently, \$300 per training session	Before training beings	We will provide mandatory refresher training on an annual basis for you and your personnel. You will also be responsible for all of your and your personnel's travel, meals lodging and other expenses.
Successor Franchise Fee	10% of then-current initial franchise fee.	On signing the Successor Franchise Agreement.	There are other conditions for the grant of a successor franchise.
Transfer Fee	(i) 75% of our then-current initial franchise fee if transfer is to a third-party	Before transfer.	Payable when you transfer or sell your Franchised Business.

Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
	that is not a current franchisee; (ii) 50% of our then-current initial franchise fee if transfer is to an existing franchisee of ours; or (iii) \$1,500 for a Permitted Transfer ⁽⁵⁾		
Audit/Inspection Fee	Actual cost of the audit or inspection.	10 days after invoice.	If you fail to timely furnish any reports or records that we require, you understate Gross Receipts by over 2%, and/or the audit reveals a default under your Franchise Agreement, you must reimburse us for the costs of the audit in addition to any amount that is past due (plus interest and late fees).
Interest	10% per annum on past due amounts.	Upon demand	Payable if any sums due under this Agreement have not been received by us when due (or there are insufficient funds in your Account to cover any sums owed to us when due).
Late Payment Fee	\$150 per occurrence	Upon demand	Payable if any sums due under this Agreement have not been received by us when due (or there are insufficient funds in your Account to cover any sums owed to us when due).
Insufficient Funds	Currently, \$250 per occurrence.	Upon demand	Payable if your check is returned or any electronic funds transfer is denied for insufficient funds or any charge to your credit card is declined.
Supplier Approval Fee	Up to \$1,500	At the time you propose an alternative product or supplier.	Payable if you propose the use of alternative products or supplier. If we approve the new product or supplier, we will refund the Supplier Approval Fee.
Indemnification	Will vary with circumstances.	Upon demand	If we are sued for claims relating to the operation of your Franchised Business or for damages that we incur due to your breach of the Franchise Agreement, then you must reimburse us.
Insurance	Amount of costs and premiums we incur.	Upon demand	Payable only if you do not maintain required insurance coverage and we elect to obtain coverage for you.
Liquidated Damages	An amount equal to the product of 24 times the average monthly Royalty paid or owed to us during the lesser of: (i) the 12 months preceding the effective date of	15 days following termination of the Agreement.	Payable only if we terminate the Franchise Agreement.

Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
	termination, or (ii) the number of months of operations if less than 12.		

NOTES:

(1) All fees and expenses described in this Item 6 are uniformly imposed and non-refundable except as otherwise indicated above. Except as otherwise indicated in the chart above, we impose all of the fees and expenses listed above, and they are payable to us. We may, at our option, require you to pay any or all periodic or recurring fees to us by electronic funds transfer.

(2) The term “**Gross Receipts**” means all revenue you collect from operating your Franchised Business, including, without limitation, all amounts you collect from any activities or services whatsoever, whether at or away from your Franchised Business, including any products or services that are in any way associated with the Marks, and whether from cash, check, barter, debit or credit, and whether or not the amounts are received directly from patients, government agencies, insurance companies, third-party payors, or employers, but excluding: (i) all federal, state or municipal sales, use or service taxes collected from patients or third-party payors and paid to the appropriate taxing authorities; (ii) promotional discounts or coupons we require; and (iii) patient refunds, adjustments, credits, or allowances made by the Business in good faith and in accordance with our policies, but excluding any refunds to third-party payors, insurance companies or governmental agencies relating to post-payment audits, reviews or investigations.

(4) We will specify the Accounting Period, Payment Day and Report Day in the Manuals. On the day we designate (the “**Report Day**”) (currently, Monday) of each Accounting Period, you must report the amount of your Gross Receipts for the preceding Accounting Period. “**Accounting Period**” is the period we designate in the Manual regarding payments of recurring fees under the Franchise Agreement (currently, weekly, Monday to Sunday). You must pay us the Royalties and other fees so that we receive it on or before the “**Payment Day**” (currently, Wednesday) for the immediately preceding Accounting Period.

(5) Permitted Transfer means: (i) a transfer from one owner who is not the Operating Principal (defined in Item 15) to another existing owner of a Business Entity that is the franchisee under the Franchise Agreement; and/or (ii) a transfer to a newly established Business Entity that will be the franchisee under the Franchise Agreement for which the owners collectively own and control 100% of the ownership interests and voting power.

ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount ⁽¹⁾		Method of Payment	When Due	To Whom Payment to be Made
	Low	High			
Initial Franchise Fee/Non-Standard Initial Franchise Fee ⁽²⁾	\$55,000	\$65,000	Lump Sum	Upon signing Franchise Agreement	Us
Lease, Utility and Security Deposits ⁽³⁾	\$5,000	\$9,000	As Incurred	As Agreed	Third Parties
Leasehold Improvements ⁽⁴⁾	\$0	\$15,000	As Incurred	As Agreed	Third Parties
Initial Recruiting Expense ⁽⁵⁾	\$3,000	\$5,000	As Incurred	As Agreed	Third Parties

Type of Expenditure	Amount ⁽¹⁾		Method of Payment	When Due	To Whom Payment to be Made
	Low	High			
Licenses and Accreditation ⁽⁶⁾	\$0	\$5,000	As Incurred	As Agreed	Third Parties
Signage ⁽⁷⁾	\$3,000	\$7,000	As Incurred	As Agreed	Third Parties
Furniture and Fixtures ⁽⁸⁾	\$0	\$5,000	As Incurred	As Agreed	Third Parties
Computer Hardware and Software ⁽⁹⁾	\$2,000	\$3,000	As Incurred	As Agreed	
Office Equipment ⁽¹⁰⁾	\$1,500	\$3,000	As Incurred	As Agreed	Third Parties
Business Licenses and Permits ⁽¹¹⁾	\$750	\$2,500	As Incurred	As Agreed	Third Parties
Professional Fees ⁽¹²⁾	\$1,500	\$2,500	As Incurred	As Agreed	Third Parties
Initial Supplies ⁽¹³⁾	\$3,000	\$5,000	As Incurred	As Agreed	Third Parties
Business Insurance ⁽¹⁴⁾	\$1,500	\$3,000	As Incurred	As Agreed	Third Parties
Office Supplies ⁽¹⁵⁾	\$750	\$1,500	As Incurred	As Agreed	Third Parties
Training Expenses ⁽¹⁶⁾	\$9,725	\$11,725	As Incurred	As Agreed	Third Parties
Grand Opening Marketing ⁽¹⁷⁾	\$3,000	\$5,000	As Incurred	As Agreed	Third Parties
Additional Funds ⁽¹⁸⁾	\$20,000	\$30,000	As Incurred	As Agreed	Third Parties
Total Estimated Initial Investment ^{(18) (19)}	\$109,725	\$178,725			

NOTES:

(1) All of the fees payable to us are non-refundable. We are unaware of any fees payable to third party suppliers that are refundable, although some landlords refund security deposits at the end of the lease if the tenant does not default.

(2) If you are not approved by us to provide staffing services through your Franchised Business, you must pay us the Initial Franchise Fee of \$55,000 for a Protected Area consisting of population of not less than 15,000 persons at least 65 years of age when you and we enter into the Franchise Agreement. The Initial Franchise Fee will be increased by \$2,500 for each additional 1,000 person block of at least 65 years of age. For example, if the Protected Area consisted of 20,000 persons of at least 65 years of age, the Initial Franchise Fee would increase to \$67,500. If we approve you to provide staffing services through your Franchised Business, you must pay us the Non-Standard Initial Franchise Fee of \$65,000 for a Protected Area consisting of population of not less than 15,000 persons at least 65 years of age when you and we enter into the Franchise Agreement. The Non-Standard Initial Franchise Fee will be increased by \$2,500 for each additional 1,000 person block of at least 65 years of age.

(3) This estimate includes utility and security deposits as well as rent payments for the first 3 months of office space that is estimated to be 1,000-square feet at \$12 per square foot at the low end and \$25 per square foot at the high end. The low end also assumes that you will utilize a shared office space.

(4) This low end of this estimate assumes that you will share an office space and high end of the range would be office space that is estimated to be 1,000-square feet. The leasehold improvements include construction and other design elements required to provide all services and meet all requirements set forth by Alvita Care, such as wall construction, flooring, lighting, colors, utilities and other elements.

(5) This estimate includes the cost of finding initial staff and caregivers to operate the Alvita Care franchise through Internet ads, job boards, social media and others.

- (6) This estimate varies based on the state in which you will operate your Franchised Business. If you are in a highly regulated state, your costs will be on the high end of the range.
- (7) This estimate includes interior and exterior signage for your Franchised Business. The low end assumes that the office space from which you will operate your Franchised Business is shared.
- (8) This item estimates the approximate costs associated with acquiring the furniture, including tables, reception desks, chairs and shelves. The low end assumes that the office space is shared and you will not have to buy furniture or fixtures.
- (9) This is an estimate of the costs of the computer hardware and software that we require, which includes the following: laptop computer, printer, and scanner.
- (10) This estimate includes a printer, copier, telephone equipment and miscellaneous equipment that is necessary in an office.
- (11) This estimate includes city, county and state business licenses.
- (12) This estimate is for the cost to engage an attorney, an accountant and other consultants to assist you in establishing your Franchised Business and reviewing the franchise documentation. These fees may vary from location to location depending upon the prevailing rate of attorneys', accountants' and consultants' fees.
- (13) This estimate includes initial supplies, including, but not limited to, gloves and brochures.
- (14) This estimate is for 6 months of premiums of our required insurance coverage (as outlined in Item 8).
- (15) This estimate includes an initial supply of stationery, envelopes and other miscellaneous office supplies.
- (16) This estimate is salary, travel, housing, meals and other out-of-pocket expenses to you and 1 staff member to attend our initial training.
- (17) We estimate that you will spend no more than \$5,000 on your Initial Launch Program. We require you to spend at least \$3,000 on your Initial Launch Program.
- (18) In compiling this estimate, we relied on our affiliates' experience in operating the Businesses. These amounts are minimum recommended levels to cover operating expenses, including employee salaries, for 3 months. It does not include owner compensation. We cannot guarantee that this amount is sufficient. You may require additional working capital if your sales are low or if your fixed costs are high.
- (19) In compiling these estimates, we relied on our affiliates' experience in operating the Businesses. The amounts shown are estimates only and may vary for many reasons. Your actual cost will depend on factors such as how much you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the prevailing wage rates; competition; and the sales level reached during the initial period. You should review these estimates carefully with an accountant or other business advisor before making any decision to buy a franchise.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Purchases from Us (or our Affiliates) & Approved Suppliers

We may designate ourselves or our affiliates as an approved or designated supplier, or the sole approved or designated supplier, of any item. Currently, you must license the required software only from us.

If we have approved suppliers (including manufacturers, distributors or other sources) for any items, software consultants, medical and other supplies, printing, payroll, telecommunications systems, materials, fixtures, furnishings, equipment, computer systems, employee clothing, uniforms, stationery, forms, products, advertising materials and other products used at your Franchised Business, you must obtain these items from those suppliers. Approved suppliers are those who demonstrate the ability to meet our standards and specifications and who we have approved in writing and who we have not later disapproved. We may designate ourselves or our affiliate as approved or designated suppliers of any item. You must follow all of our policies and procedures for participation in or termination of any preferred vendor programs that we establish. Currently, we have approved suppliers for the following items: EHR system, benchmarking platform, accounting services and financial reporting software, HRIS system, wraps for cars and storefronts and other computer software.

If you want us to approve a supplier that you propose, you must send us a written notice specifying the supplier's name and qualifications and provide any additional information that we request. We will approve or reject your request within 60 days after we receive your notice and all additional information (and samples) that we require. We are deemed to have rejected your request if we fail to issue our approval within the 60-day period. We currently charge a fee of up to \$1,500 for evaluating alternative suppliers, products or services, plus the actual cost of travel and living expenses of our personnel as well as any fees we pay to third parties in furtherance of the evaluation. You must pay us these amounts within 10 days after we send you an invoice.

We estimate that required purchases from approved or designated suppliers or according to our standards and specifications currently represents approximately 10% of your total purchases in establishing your Franchised Business, and approximately 10% of your overall purchases in operating the Business.

Except for us, there are no suppliers in which any of our officers own an interest.

During 2022, we did not derive any revenue due to franchisee required purchases or leases.

Standards and Specifications

You must develop and operate your Franchised Business in accordance with our standards and specifications. Our standards and specifications may regulate, among other things (a) a description of the authorized goods and services that you may offer at your Franchised Business; (b) mandatory and suggested specifications, operating procedures, and quality standards for products, services and procedures that we prescribe from time to time for Alvita® Care Businesses; (c) mandatory reporting and insurance requirements; (d) mandatory and suggested specifications for your Franchised Business; and (e) a written list of goods and services (or specifications for goods and services) that you will purchase for the development and operation of your Franchised Business, and a list of any designated or approved suppliers for these goods or services (which may include us or our affiliate). Our standards and specifications may impose minimum requirements for quality, use, cost, delivery, performance, design and appearance. We will notify you in our Manuals or other communications of our standards and specifications and/or names of approved suppliers.

Rebates

We may receive rebates, payments or other material benefits from suppliers based on franchisee purchases. We intend to negotiate relationships with suppliers to enable our franchisees to purchase certain items at discounted prices. If we succeed, you will be able to purchase these items at the discounted prices that we negotiate.

Business Development

For brand consistency, we may require Alvita® Care Businesses to be constructed or remodeled, furnished, and equipped in accordance with our standards and specifications. At your expense, you must construct and equip the premises so that it has a professional appearance, provides your staff with appropriate office space and meets any requirements imposed by regulatory agencies that govern the operation of a home healthcare services business. You must also comply with the specifications contained in the Manuals and to purchase (or lease) and install the fixtures, signs and other items that we require. If you are operating the office out of a shared office space, you will not have to incur the expenses in connection with the fixtures, signs and other items that we require for a separate office space.

Insurance

You must maintain in full force and effect the following insurance policies (in addition to any insurance that may be required by applicable law, any lender, or any lessor): Package/Umbrella (including, without limitation, property, general liability, professional liability, crime, nonowned automobile) and Workers' Compensation (in amounts outlined in the Manuals).

Upon 30 days' notice, we may increase the minimum protection requirement as of the renewal date of any policy, and require different or additional types of insurance at any time, including excess liability (umbrella) insurance, to reflect inflation, identification of special risks, changes in law or standards or liability, higher damage awards or other relevant changes in circumstances. If you fail to maintain any required insurance coverage, we have the right, but not the obligation, to obtain such coverage on your behalf, and you must promptly complete all applications and other forms and instruments required to obtain the insurance and pay to us, within 10 days after invoicing, all costs and premiums that we incur.

Miscellaneous

There are no purchasing cooperatives although we reserve the right to establish one or more purchasing cooperatives in the future. You do not receive any material benefits for using designated or approved suppliers.

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 other items in this disclosure document.

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Sections 2.2 - 2.4	Item 7 & Item 11
b. Pre-opening purchases/leases	Sections 2.3, 2.4, 10.6, 10.9, 10.10.15, and 10.17	Items 5, 7, 8 & 11

Obligation	Section in Agreement	Disclosure Document Item
c. Site development and other pre-opening requirements	Sections 2.3, 7.1, 9, 10.9, 10.7, 10.10, 10.11, 10.12, 10.15, 11.6	Items 6, 7 & 11
d. Initial and ongoing training	Section 7	Items 6 & 11
e. Opening	Section 2.4	Item 11
f. Fees	Section 5.6, 6, 7, 10.3, 10.4, 10.6, 16.2,	Items 5 & 6
g. Compliance with standards and policies/Operating Manual	Section 10	Item 11
h. Trademarks and proprietary information	Section 15	Items 13 & 14
i. Restrictions on products/services offered	Sections 10.9, 10.10, 10.15	Item 16
j. Warranty and customer service requirements	Not Applicable	Not Applicable
k. Territorial development and sales quotas	Sections 3 and 4	Item 12
l. Ongoing product/service purchases	Section 10	Item 8
m. Maintenance, appearance and remodeling requirements	Sections 10.4, and 10.17	Item 11
n. Insurance	Section 12.1	Items 6 & 7
o. Advertising	Section 11	Items 6, 7 & 11
p. Indemnification	Section 12.2	Item 6
q. Owner's participation/management/staffing	Sections 4, 9	Items 11 & 15
r. Records and reports	Section 13	Item 6
s. Inspections and audits	Section 14	Item 6
t. Transfer	Section 16	Item 17
u. Renewal	Sections 5.2 - 5.7	Item 17
v. Post-termination obligations	Section 18	Item 17
w. Non-competition covenants	Section 19	Item 17
x. Dispute resolution	Sections 20 & 21	Item 17

ITEM 10 FINANCING

We do not offer direct or indirect financing. We do not guarantee any of your notes, leases or obligations.

ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Pre-Opening Obligations: Before you open your Franchised Business, we will:

1. Accept the location of your Franchised Business Location. (Franchise Agreement, Section 2.2)
2. Provide our initial training to you and your manager. (Franchise Agreement, Section 6.1)
3. Provide you with access to one copy of the Manuals, which will help you establish your Franchised Business. Our Manuals contain written specifications for the goods and services you must purchase to establish your Franchised Business, as well as a written list of approved and/or designated suppliers for purposes of acquiring these goods and services. (Franchise Agreement, Section 10.1)

Time to Opening

We anticipate that the typical length of time between the effective date of the Franchise Agreement and opening of an operating Alvita® Care Business will be approximately two months. Some of the factors that may affect this time are financing, obtaining necessary computer equipment and supplies, completion of training, securing an office location, licensing and obtaining insurance. You must be open to the public no later than 4 months after the effective date of your Franchise Agreement.

You will not open your Franchised Business before: (i) you complete the initial training program to our satisfaction; (ii) you purchase all required insurance; (iii) you obtain all federal, state and local licenses and other governmental approvals necessary to provide the services your Franchised Business will offer; and (iv) we give you our written authorization to do so. You must send us a written notice identifying your proposed opening date at least 15 days before opening. We may conduct a pre-opening inspection of your Franchised Business and you must make any changes we require before opening.

Post-Opening Obligations: During the operation of your Franchised Business, we will:

1. Continue to provide you with access to one copy of the Manuals, to assist you in operating your Franchised Business. (Franchise Agreement, Section 8.1)
2. Provide up to 4 days on-site assistance within the first 60 days after the opening of your Franchised Business. (Franchise Agreement, Section 7.2)
3. Provide Mandatory Annual Training. (Franchise Agreement, Section 7.4)

In addition, during the operation of your Franchised Business, we **may**, but will not be obligated to:

1. Provide periodic additional or refresher training program, additional on-site training and conferences. (Franchise Agreement, Sections 7.2, 7.3, 7.4 and 7.5)
2. License or sublicense certain software or technology to you. (Franchise Agreement, Section 8.2)
3. Provide guidance and recommendations for operating your Franchised Business over the phone, via email and in person. (Franchise Agreement, Section 8.4)

4. Maintain an Internet Website that will include information about your Franchised Business. (Franchise Agreement, Section 8.5)
5. Negotiate purchase agreements with suppliers to allow you to purchase certain goods or services at discounted prices. (Franchise Agreement, Section 8.7)
6. Negotiate purchase agreements with suppliers that allow us to purchase certain goods or services at discounted prices and resell them to you or have suppliers sell direct to you. (Franchise Agreement, Section 8.8)

Initial Training Program

We will provide initial training (the “**Initial Training Program**”) to you and up to 2 other persons for a period of approximately 17 to 21 days. All trainees must satisfactorily complete our initial training program. Training will occur at our corporate headquarters (currently, New York, NY), a company-owned Business, or at any other location or franchised location that we designate.

The Initial Training Program currently consists of the following:

	Hours of Classroom Training	Hours of On-the-Job Training	Location
PHASE 1			
History/Philosophy of Alvita Care Services	1		New York City, NY or other location designated by us
Pre-Opening Procedures	4		New York City, NY or other location designated by us
People Development	4		New York City, NY or other location designated by us
Marketing	4		New York City, NY or other location designated by us
Developing and Managing Referral Network	5	20	New York City, NY or other location designated by us
TOTAL PHASE 1	18	20	38 Hours
PHASE 2			
Recruiting Caregivers	2	8	New York City, NY or other location designated by us
Marketing	2		New York City, NY or other location designated by us
Developing and Managing Referral Network	2	12	New York City, NY or other location designated by us
Client Recruitment and Assessment Procedures	2	8	New York City, NY or other location designated by us
Health Care Operations	2	4	New York City, NY or other location designated by us
Daily Operating Procedures	4	16	New York City, NY or other location designated by us
TOTAL PHASE 2	14	48	62 Hours
TOTAL HOURS (Phase 1 & 2)	32	68	100 Hours

The time periods listed above are approximations, and the time actually invested by you and your personnel may vary based on the experience and performance of those persons being trained. The

instructional materials used in the initial training will consist primarily of our Manuals and other handouts, and lectures. You will not be charged an additional fee for any of the training materials.

Our training is conducted by 1 or more of the following employees:

Name	Position with Us	Experience	
		Years In Field	Years With Us
Moshe Zaghi	President	10	1.5
Paula Cheng	Vice President of Strategy & Operations	7	0

In order to maintain the uniformity and high standard of goods and services provided by Alvita® Care Businesses franchisees, we may provide periodic additional or refresher training programs for you and your personnel. If so, you may be required to pay a reasonable fee for each person who attends such training. You will also be responsible for all expenses and costs that your trainees incur, including wages, travel and living expenses.

If this is your first Alvita® Care Business, we will provide up to 4-days of on-site and/or telephone assistance. From time to time, you may request that we visit your Franchised Business to provide on-site training. If we agree, at our option, to provide any on-site training at your Franchised Business, you must to pay us a reasonable fee (currently, \$500, per day, per trainer), in an amount to be mutually agreed upon, for each of our personnel providing such on-site training, and also reimburse us for their meals, travel, lodging and other expense. Any on-site training is subject to availability of our personnel.

For the benefit of the franchise system, we may also hold periodic national or regional conferences, to discuss various business issues and operational and general business concerns affecting Alvita® Care Businesses. We will determine whether attendance at these conferences is mandatory or optional. You must pay a fee (currently, \$300) for conference(s), and you are responsible for all food, travel and lodging expenses that your owners and employees incur while attending conferences.

We will offer mandatory refresher training on an annual basis for you and your personnel. We may charge a reasonable fee for each person who attends an annual mandatory refresher training program. You will be solely responsible for wages and travel, lodging, and living expenses for each attendee of yours who attends any additional training program or franchise owners meeting offered and held by us.

We reserve the right to offer and hold additional ongoing training programs and franchise owners meetings for your Franchised Business at such times and locations as we may deem necessary or appropriate. We also reserve the right to make any of these training programs mandatory for you and/or designated owners, employees, general managers, and/or representatives of yours. You will be solely responsible for wages and travel, lodging, and living expenses for each attendee of yours who attends any additional training program or franchise owners meeting offered and held by us.

Manuals

We will provide you with access in text or electronic form to our Manuals during the term of your Franchise Agreement. The Manuals may include, among other things, (a) a description of the authorized goods and services that you may offer at your Franchised Business; (b) required and suggested specifications, operating procedures, and quality standards for products, services and procedures that we prescribe from time to time for Alvita® Care Business franchisees; (c) required reporting and insurance

requirements; (d) required and suggested specifications for your Franchised Business; and (e) a written list of goods and services (or specifications for goods and services) you will purchase for the development and operation of your Franchised Business and a list of any designated or approved suppliers for these goods or services. The Manuals are confidential and remain our property. They must be kept in a secure location, and may not be copied without our permission. We may modify the Manuals at any time, but the modification(s) will not alter your status or fundamental rights under the Franchise Agreement.

As of the date of this disclosure document, the Manuals contain a total of 264 pages. A copy of the Table of Contents to the Manuals is attached to this disclosure document as Exhibit "C."

Site Development

An Alvita® Care Business typically is 1,000 square feet but may be smaller or larger depending on your circumstances. You must locate and receive our acceptance of the premises from which you will operate your Franchised Business within 45 days after the effective date of the Franchise Agreement. The premises will be located within your Search Area and conform to our minimum site selection criteria. You will send us a complete site report (containing the demographic, commercial and other information, photographs and video that we may reasonably require) for your proposed site. We will use our best efforts to accept or reject a proposed site within 7 days after we receive all of the requisite materials. Your site is deemed rejected if we fail to issue our written approval within the 7-day period. In reviewing a proposed site, we will consider factors such as parking, size, traffic counts, access to major highways, general location, existence and location of competitive businesses, general character of the neighborhood and various economic indicators.

You must deliver copies of the proposed lease agreement and related documents to us for approval before you sign them. Our approval will be limited to ensuring that the lease and related documents are consistent with the Franchise Agreement and our standards and specifications for Alvita® Care Businesses. You must send us a copy of your fully executed lease within 5 days of their execution. We may terminate your Franchise Agreement if you and we are unable to agree on a site for your Franchised Business, or you have not obtained a fully-signed lease agreement for the premises, within 120 days of the effective date of your Franchise Agreement.

After you purchase or lease your approved site, you must construct and equip the premises to the specifications contained in the Manuals. You also agree to install the equipment, fixtures, signs and other items that we require. Before you open, we must approve the build-out and layout of your Franchised Business. You must remodel and make all improvements and alterations to your Franchised Business that we reasonably require from time to time to reflect our then-current image, appearance and facility specifications. We reserve the right to approve the architects, contractors and other suppliers used to construct your Franchised Business. You may not remodel or significantly alter your premises without our prior approval.

Computer System

You must obtain and maintain, at your expense, the computer hardware and software that we designate in the Manuals (the "**Computer System**"). We have developed and license to you proprietary software programs that you must use in the operation of your Franchised Business. We may inspect your Computer System and access the data collected by and stored on the Computer System, except that we will not access any individually identifiable health information as permitted by law. We will have the right to independent access to the Computer System and to the data collected, except for protected health information related to your patients.

To operate efficiently, you agree that each computer/laptop, mobile phone or tablet device will be connected to the Internet via high-speed Internet connection (e.g., digital subscriber, cable, ISDN, or T-11 Internet, LTE) with e-mail capabilities. A high-speed wireless network is recommended, but not currently required. In addition you agree to purchase at least one high quality “all-in-one” laser printer/copier/scanner with network capabilities.

You may be assigned a designated telephone number(s) and e-mail address(es) that you agree to use in the operation of your Franchised Business. You agree to pay the actual costs to cover the cost of such telephone numbers and e-mail addresses and our administration and servicing of them, but it is not currently charged. You agree that we reserve the right to control all telephone numbers and e-mail addresses used in the operation of Alvita® Care Businesses.

The following minimum software and hardware components are: laptop, our proprietary software that we license to you, EHR system, benchmarking platform, accounting services and financial reporting software, HRIS system, and other computer software (Quickbooks and Microsoft Office 365). We estimate that the cost of the computer system will be approximately \$2,000 to \$3,000.

Neither we nor any other party has any obligation to provide ongoing maintenance, repairs, upgrades or updates to your Computer System. You must maintain the computer hardware in good working order at your cost. During the term of your Franchise Agreement, if requested to, you must upgrade or update your computer hardware and/or software to conform to our then-current specifications. There is no contractual limit on the frequency or cost of this obligation. We estimate that the cost to upgrade or update your computer hardware and/or software will not exceed \$1,000 per year (excluding any monthly software fees). You are also responsible for priority cabling and all networking services related to the Computer System. Except as described above, there currently are no optional or required support contracts. We reserve the right to change the software or technology that you must use or add new software or technology at any time.

You must attend any software training necessary at your cost.

Advertising and Marketing

Establishment of Brand Marketing Fund

Recognizing the value of advertising and marketing to the goodwill and public image of Alvita® Care Businesses, we will establish a system-wide brand marketing fund (the “**Marketing Fund**”) for such advertising, marketing and public relations programs and materials we deem necessary or appropriate. We reserve the right to defer or reduce Brand Marketing Fund Contributions of an Alvita® Care Businesses Franchisee and, upon 30 days’ prior written notice to you, to reduce or suspend contributions to and operations of the Marketing Fund for one or more periods of any length and to terminate (and, if terminated, to reinstate) the Marketing Fund. If the Marketing Fund is terminated, all unspent monies, less any outstanding accounts payable and other obligations, on the date of termination will be distributed to our Franchisees in proportion to their respective contributions to the Marketing Fund during the preceding 24 Accounting Periods. We and our affiliates will contribute to the Marketing Fund equal to the average of franchise owners for any Alvita® Care Businesses we or our affiliates own and operate.

Use of the Funds

We or our designee will direct all programs financed by the Marketing Fund, including the creative concepts, materials and endorsements, and the geographic, market and media placement and allocation. The Marketing Fund may be used to pay the costs of preparing and producing video, e-commerce, audio

and written advertising materials; developing and servicing corporate accounts; evaluating new products or services; research and development of marketing materials; administering regional and multi-regional advertising programs, including, without limitation, purchasing e-commerce rights, direct mail and other media advertising and employing advertising, promotion and marketing agencies; and supporting public relations, market research, establishing, developing, maintaining, servicing or hosting Websites or other e-commerce programs, and other advertising, promotion and marketing activities (including Google). We will use the Marketing Fund to cover all or a portion of the compensation, administrative, and overhead costs of our and our affiliate's personnel that are directly engaged in consumer marketing activities or otherwise providing services to the Marketing Fund. The Marketing Fund periodically will 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.

Accounting for the Fund

The Marketing Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the Marketing Fund and its programs, including, without limitation, conducting market surveys, preparing advertising, promotion and marketing materials and collecting and accounting for contributions to the Marketing Fund. We may spend on behalf of the Marketing Fund, in any fiscal year an amount greater or less than the aggregate contribution of all Alvita® Care Businesses to the Marketing Fund in that year, and the Marketing Fund may borrow from us or others to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the Marketing Fund will be used to pay advertising costs before other assets of the Marketing Fund are expended. We will prepare a periodic statement of monies collected and costs incurred by the Marketing Fund and furnish the statement to you upon written request. We have the right to cause the Marketing Fund to be incorporated or operated through a separate entity at such time as we deem appropriate, and such successor entity will have all of the rights and duties specified in this Agreement.

Marketing Fund Limitations

The Marketing Fund will be intended to maximize recognition of the System, the Marks, the Copyrights and Alvita® Care Businesses. Although we will endeavor to utilize the Marketing Fund to develop advertising and marketing materials and programs and to place advertising that will benefit all Alvita® Care Businesses, we undertake no obligation to ensure that expenditures by the Marketing Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Marketing Fund by Alvita® Care Businesses operating in that geographic area or that any Alvita® Care Businesses will benefit directly or in proportion to its contribution to the Marketing Fund from the development of advertising and marketing materials or the placement of advertising. We assume no direct or indirect liability or obligation to you with respect to collecting amounts due to the Marketing Fund.

Local Advertising

You must spend the greater of 2% of Gross Receipts or \$1,000 per month on approved forms of local advertising and promotion for your Franchised Business, measured over each fiscal year (or other period specified by us in the Manual). You may spend more than the minimum required if you choose. We may require you to submit an advertising expenditure report accurately reflecting all local advertising expenditures for the prior fiscal year (or other measurement period specified by us in the Manual). If you fail to make the required minimum expenditures for local advertising and promotion, we may, at our option, require you to: (i) contribute the deficient amount to the Marketing Fund; or (ii) reimburse us for amounts

that we spend on your behalf to satisfy your local advertising obligation, plus our related expenses. You must submit an accounting of your local marketing expenditures on a quarterly basis. Your local marketing must be implemented in a format and using procedures, suppliers, materials and designs we have approved.

You may develop, at your cost, advertising and promotional materials for your own use, but may not use them until after we have approved them in writing. All advertisements and promotions that you create or use must be completely factual and conform to the highest standards of ethical advertising and comply with all federal, state and local laws. You must ensure that your advertisements and promotional materials do not infringe upon the intellectual property rights of others. For uniformity and to ensure patients know of the chain, you will include the locations and telephone numbers of other Alvita® Care Business, whether franchised or owned by us or our affiliates, in any advertising for your Franchised Business, as outlined in the Manual from time to time. You will not be entitled to any compensation for doing so.

To protect and maintain brand consistency, before you use any advertising, marketing or promotional materials that we did not prepare or previously approve, you must obtain our approval by submitting the materials you wish to use at least 14 days prior to the deadline for using the materials. If you do not receive our approval within 10 days after submission to us, then they will be deemed disapproved. You may not use any advertising or promotional materials that we have disapproved (including materials that we previously approved and later disapprove).

Initial Launch Program

Within 60 days of the Opening Date, you must conduct an initial launch program in your local market and spend at least \$3,000 to introduce your Franchised Business and increase brand recognition in your local market. You will create, and we must approve, the market introduction program, which will consist of a variety of public relations, marketing, and advertising initiatives to publicize the opening of your Franchised Business and the brand. The amounts you spend on the opening campaign will not be credited against any other obligations pursuant to this Agreement. No later than the last day of each calendar month in which part of the opening campaign falls, you will provide us with a written report of all activities undertaken as part of the opening campaign (including an accounting for all expenditures and a description of all public relations and marketing activities). We may collect the amount for the market introduction program from you and implement the market introduction program on your behalf.

There are no advertising cooperatives. We do not have a formal franchise advisory council or franchisee association.

Internet Marketing

We have established and maintain an Internet website (the “**Website**”) that provides information about the Alvita® Care System and the services that we and our franchisees provide. We will include on the Website an interior page containing information about your Franchised Business. We may require you to prepare all or a portion of the page, at your expense, using templates that we provide. All such information will be subject to our approval prior to posting. You may not maintain a Website, conduct e-commerce, or otherwise maintain a presence or advertise on the Internet or any other public computer network in connection with your Franchised Business except as we periodically allow. We may allow you to maintain any websites you created prior to the Effective Date for redirection to the Website. We may permit you to have a presence on several media networks, such as social groups or pages identifying your Franchised Business. You and your employees may interact with clients or friends on those social media networks in a manner that is consistent with the rules and policies of the applicable social media network and with the professional business protocol in compliance with the Manual. If we change our policy at a

later date to allow franchisees to maintain their own Websites or market on the Internet, you may do so only if you comply with all of the Website and Internet requirements that we specify.

ITEM 12 TERRITORY

Business Office Location

Each Franchise Agreement grants you the right to operate a single Alvita® Care Business from a single location that we have accepted (the “**Business Office**”). The Business Office must be located within your Protected Area (as defined below) and conform to our minimum site selection criteria, which may include demographic characteristics, traffic patterns, parking, signage, character of neighborhood, competition from and proximity to other businesses, the size, appearance and other physical characteristics of the proposed site, and any other factors or characteristics that we consider appropriate. You must send us a complete Business Office report (the “**Business Office Report**”) (containing photographs and any other information that we require) for location of your Franchised Business Office. We may accept or reject any proposed location of your Franchised Business Office in our commercially reasonable judgment. We will use our best efforts to approve or disapprove a proposed Business Office location within 7 days after we receive the Business Office Report. Once approved, the specific street address of the Business Office will be listed in “B” to your Franchise Agreement.

You may not relocate your Franchised Business Office without our prior written approval.

Protected Area

As long as you are in substantial compliance with the Franchise Agreement, we will not, during the term of your Franchise Agreement, operate or grant others the right to operate another Alvita® Care Business within the specific geographic area we designate as your protected area (the “**Protected Area**”). We will insert a description of the Protected Area in Exhibit “A” to the Franchise Agreement before the Franchise Agreement is entered into. The Protected Area will generally consist of a population of not less than 15,000 persons at least 65 years old on the Effective Date of the Franchise Agreement. The Protected Area will generally be designated by Zip Codes, but we may also describe it using geographic or other boundaries, including roads, railroad lines and geographic features. The demographic reports we utilize from time to time to determine the population of your Protected Area may vary by area and may include a combination of public and commercial resources (including Map Business Online, Google Pro, and government census reports). You must only provide services that we approve and which you are licensed to provide. If your Protected Area extends into another state and you do not obtain the necessary licenses to provide services in that state, you must not provide services in the state where you are not licensed. Your Protected Area will not overlap with any other franchisee’s protected area. You may not solicit patients for services outside of your Protected Area. You may provide services to patients outside of your Protected Area so long as the area is not assigned to another franchisee or affiliate-owned business and the gross revenue you earn from patients serviced outside of your Protected Area does not exceed 15% of your overall Gross Sales.

Reserved Rights

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. You are not granted any options, rights of first refusal or similar rights to acquire additional territories or franchises.

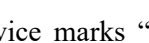

We (and our affiliates) retain the rights to do any or all of the following, in our sole discretion:

1. solicit prospective franchisees and grant other persons franchises, or other rights to operate Alvita® Care Business through national or regional advertising, trade shows or conventions, or using or through the Internet or other form of e-commerce or through similar means, wherever located, including your Franchised Business;
2. host prospective and current franchisees at your Franchised Business and have tours conducted in your Franchised Business;
3. own and operate, and grant to others the right to own and operate, Alvita® Care Businesses ourselves or through affiliates anywhere outside of your Protected Area;
4. sell, solicit, recruit and provide services for any business not operating under the Marks in your Protected Area;
5. sell, and provide the products and/or services authorized for sale by, Alvita® Care under the Marks or other trade names, trademarks, service marks and commercial symbols through similar or dissimilar channels (like telephone, mail order, kiosk, co-branded sites and sites located within other retail businesses, Internet, websites, wireless, email or other forms of e-commerce), including in grocery, pharmacy, assisted living facilities, nursing homes and other nonresidential locations, for distribution within and outside of your Protected Area and pursuant to such terms and conditions as we consider appropriate;
6. acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided by Alvita® Care, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in your Protected Area);
7. be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided by Alvita® Care, or by another business, even if such business operates, franchises and/or licenses Competitive Businesses in the Protected Area;
8. conduct all internet related, e-commerce, social media and related communications relating to the operation of Alvita® Care or the selling of services offered at any of the Alvita® Care Business. We will have the sole right to establish one or more websites that contain any of the Marks or that advertise, market or promote any of the services that we authorize for Alvita® Care. You agree to follow our rules and policies with respect to the use of the internet and social media, both for advertising and marketing, and for the conducting of electronic commerce. We may engage in internet and e-commerce, marketing, promotion and operation even if those activities affect patient relationships within your Protected Area;
9. solicit prospective franchisees for, and own and operate, businesses of any other kind or nature, anywhere;
10. vary System Standards or other aspects of the System for any franchise owner. You have no right to require us to grant you a similar variation or accommodation; and
11. own and operate, and grant to others the right to own and operate businesses anywhere for either: (a) the provision of non-medical home personal care services; or (b) physician administered and supervised services by licensed physicians (and others employed by them).


Currently, neither we nor any affiliate of ours intends to operate or franchise another Business under a different trademark that sells products or services similar to the products or services offered at an Alvita® Care Business. However, we reserve the right to do so in the future.

You may use the Internet to advertise only in compliance with the Franchise Agreement and the Manuals. You may use social media only in compliance with our policies, as amended from time to time.


ITEM 13 TRADEMARKS

***The Franchise Agreement grants you the right to operate an Alvita® Care Business under the trademark and service marks “ALVITA®,” “ALVITA®” “®” and related trademarks, service marks, logos and commercial symbols, and to use any future Marks we authorize. You must use the Marks in strict accordance with the Franchise Agreement and the Manuals.

HLHC NY registered our principal Mark on the Principal Register of the United States Patent and Trademark Office (“USPTO”):

MARK	REGISTRATION NO.	DATE
ALVITA®	4826665	October 6, 2015
 ALVITA®	4387142	August 20, 2013

HLHC NY applied for registration of the following Mark on the Principal Register of the USPTO:

MARK	APPLICATION NO.	DATE
 ®”	Application 97572871	August 31, 2022

We do not have a federal registration for one of our principal trademarks listed immediately above. Therefore, one of our trademarks does not have many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

We have the right to use and license the use of the Marks to franchisees under a Trademark, Technology and Know-How License Agreement dated January 26, 2023, with HLHC NY (the “**License Agreement**”). The License Agreement provides that HLHC NY has the right to specify, inspect, and oversee the quality standards of our services and products to assure the protection, enhancement, and goodwill of the Marks. The License Agreement is of perpetual duration and will remain in effect unless terminated by us. If we breach the License Agreement, or if the License Agreement is otherwise terminated, you may lose your rights to use the Marks.

You must follow our rules when using the Marks and not use our name or Mark as part of a corporate name or with modifying words, designs, or symbols unless you receive our prior written consent. You may not use the Marks in connection with the sale of any product or service that is not previously authorized by us in writing.

We reserve the right to substitute different trade names, service marks, trademarks and indicia of origin for the Marks if the Marks can no longer be used, or if we determine, in our sole discretion, that substitution will be beneficial to the System. If we do, you must if requested to discontinue or modify your use of any Mark or use one or more additional or substitute Marks, at your expense. You must to comply

with our directions within the time period prescribed in our notice. We will not be obligated to reimburse you for any expenses or loss of revenue attributable to any modified or discontinued Mark or for any expenditures you make to promote a modified or substitute trademark or service mark.

You must to notify us immediately when you learn about an infringing or challenging use of the Marks. We will take the action we think appropriate, but we are not required to take any action if we do not feel it is warranted. We may require your assistance, but you are not permitted to control any proceeding or litigation relating to our Marks. You must to not directly or indirectly contest our or HLHC NY's right to the Marks. We are not obligated to indemnify you against any damages for which you are held liable to third parties arising out of your use of any of the Marks, unless otherwise required by applicable law.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court; no pending infringements, oppositions or cancellations; and no pending material litigation involving any of the Marks. We do not know of any infringing uses that could materially affect your use of the Marks.

ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

No patents or patent applications are material to the franchise. Although we have not filed an application for copyright registration for the Manuals, we do claim a copyright to the Manuals and the Software. During the term of your Franchise Agreement, you are allowed to use our proprietary information relating to the development, marketing and operation of an Alvita® Care Business, including, methods, techniques, specifications, procedures, policies, marketing strategies and information comprising the System and the Manuals.

You must to maintain the confidentiality of all of our proprietary information and use it only in strict accordance with the terms of the Franchise Agreement and the Manuals. You must to promptly tell us when you learn about unauthorized use of our proprietary information. We are not obligated to act, but will respond to this information as we deem appropriate. You are not permitted to control any proceeding or litigation alleging the unauthorized use of any of our proprietary information. We have no obligation to indemnify you for any expenses or damages arising from any proceeding or litigation involving our proprietary information. There are no infringements that are known by us at this time.

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

If the Franchisee is a Business Entity or more than one natural person, then we require the franchisee to designate an owner or principal officer acceptable to us (the “**Operating Principal**”) to assume responsibility for the supervision, management and proper operation of the Business. However, only a Licensed Provider may perform home healthcare services. We do not require the Operating Principal to have an ownership interest in the Business Entity. The Operating Principal must have the authority to bind you regarding all operational decisions with respect to your Franchised Business. Your relationship with the Operating Principal, Director of Clinical Services and any Licensed Providers that you engage must comply with your state's laws and regulations. Your Operating Principal or an approved Director of Clinical Services must successfully complete our initial training program and any other training programs we require from time to time. Your Director of Clinical Services, Licensed Providers and other employees who have access to our trade secrets and other confidential information, will execute our Confidentiality & Noncompetition Agreement before having access to said operational systems, trade secrets, and other confidential information.

If you (or your Operating Principal) will not be actively supervising and managing the Business, then you must recruit, hire and maintain Director of Clinical Services who: (i) has a sufficient amount of experience (in terms of duration, operational responsibilities, previous training, etc.) as a general manager or in a similar supervisory position to demonstrate to us that he or she is capable of managing an Alvida® Care Business on a full-time ongoing basis; (ii) has management responsibility and authority over the day-to-day operations of the Business; (iii) is actively employed by you or the franchisee Business Entity on a full-time basis to manage the Business's operations; (iv) is bound by our then-current form of Confidentiality & Noncompetition Agreement (or other contract in form and substance satisfactory to us); and (v) has satisfactorily completed our initial training program and any other training programs we require from time to time.

If you are a Business Entity, each of your owners agree to personally guarantee your obligations under the Franchise Agreement and agree to be personally bound by, and personally liable for the breach of, every provision of the Franchise Agreement. This includes both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities. The form of Principal Owner's Guaranty is attached as Exhibit "G." Depending on the creditworthiness of your owners and the community property laws of the states in which they reside, we may also require a Principal Owner's Guaranty from the spouse of each owner.

You also agree to complete and deliver to us a Principal Owner's Statement in the form attached as Exhibit "H," which describes all of your owners and their interests in you.

To protect the proprietary knowledge and maintain a competitive advantage you must all of your employees and other agents who may have access to our confidential information will be bound by a Confidentiality, Nonsolicitation and Noncompetition Agreement (the "**Confidentiality & Noncompetition Agreement**"), the current form of which is attached to the Franchise Agreement as Exhibit "J."

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We have the right to approve all goods and services that you sell at or through your Franchised Business. You must offer all goods and services that we require and that you are licensed to provide. You may not sell any goods or services that we have disapproved and that you are not licensed to provide. We have the unrestricted right to change the goods and/or services that you have agreed to sell as part of your Franchised Business at any time in our sole discretion, and you will comply with any such change. All products and services you use, offer or sell at your Franchised Business will conform to our standards and specifications. These are described in our Manuals and other writings. You must not deviate from our standards and specifications unless we first give you our written consent. You also must comply with all applicable laws and regulations and secure all governmental approvals for the operation of your Franchised Business.

We may periodically modify System Standards, which may accommodate regional or local variations as we determine, and any such modifications may obligate you to invest additional capital in Alvida® Care Business ("**Capital Modifications**") and/or incur higher operating costs. You must make the Capital Modifications within the time frame we require. We require you to repair all equipment, construction elements, fixtures, and physical aspects of your Franchised Business as necessary to maintain a clean and professional appearance ("**Routine Maintenance**") in accordance with the Manual or in the timeframe specified in a written notice from us. We also require you to replace obsolete equipment and purchase new technology, computer hardware and software and equipment ("**Upgrades**") as required in the Manual. Finally, we may require you to refresh the office to conform to new trade dress standards, including color schemes, signage, or visual elements ("**Trade Dress Updates**"). Capital Modifications that require substantial physical modifications to your Franchised Business will not be required during the first

12 months after opening your Franchised Business. We will notify you in writing before implementing Capital Modifications for Routine Maintenance, Upgrades or Trade Dress Updates. Capital Modifications will not alter your fundamental status and rights under your franchise agreement. Capital Modifications are in addition to the costs you will incur to develop, open, repair, replace or refurbish your Franchised Business, equipment and fixtures from time to time. Capital Modifications do not include any expenditures you must, or choose to make, in order to comply with applicable laws, governmental rules or regulations (e.g., ADA compliance).

All advertising and promotional materials, signs, and other items that we designate will bear the Marks in the form, color, size, location and manner we require. You must not advertise, promote, post or list information relating to the Alvita® Care Business on the Internet (through the creation of a website or otherwise), without our prior written consent.

ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP		
Provision	Sections in Franchise Agreement	Summary
a. Length of the franchise term	Section 5.1	The term expires on the 5th anniversary from effective date of your franchise agreement.
b. Renewal or extension of the term	Section 5.2 - 5.7	Upon expiration of your franchise agreement, you may acquire 2 consecutive successor franchise of 5 years if you sign our then-current form of Franchise Agreement (which may have terms and conditions materially different than your original franchise agreement) and satisfy other renewal conditions.
c. Requirements for franchisee to renew or extend	Section 5.2, 5.4 - 5.7	You must: (1) not be in default; (2) give us timely notice; (3) enter into our then-current form of franchise agreement and related documents (e.g., personal guaranty, Confidentiality & Noncompetition Agreement, etc.); (4) enter into a general release; (5) pay successor franchise fee; (6) remodel or upgrade your Franchised Business to comply with our then-current standards and specifications; (7) maintain all licenses and certifications; (8) maintain possession of your Franchised Business under your lease; and (9) complete any training and refresher programs we require. If you renew, you may be required to enter into an agreement with materially different terms and conditions than the original agreement.
d. Termination by franchisee	Section 17.1	You can terminate if we fail to cure a material default within the 60-day cure period.
e. Termination by franchisor without cause	Section 17.4	We can terminate without cause if you and we mutually agree to terminate.
f. Termination by franchisor with cause	Sections 17.2 & 17.3	We can terminate if you default.
g. "Cause" defined -	Section 17.3	You have 30 days to cure any default, other than defaults

THE FRANCHISE RELATIONSHIP		
Provision	Sections in Franchise Agreement	Summary
curable defaults		described below under “non-curable defaults.”
h. “Cause” defined - non-curable defaults	Section 17.2	The following defaults cannot be cured: (a) Any License is suspended or revoked by the applicable state or federal regulatory authority government; (b) you or your manager fails to satisfactorily complete the initial training program; (c) you or your personnel fail to satisfactorily complete annual mandatory refresher training; (d) you fail to obtain our approval of your Franchised Business Location within 45 days after the Effective Date; (e) you fail to secure a fully executed lease within 45 days after the Effective Date; (f) you fail to timely open your Franchised Business or obtain approved location; (g) you fail to comply with any System Standard; (h) insolvency or bankruptcy (which may or may not be enforceable under the Bankruptcy Act of 1978, as amended); (i) seizure of the assets associated with your Franchised Business; (j) abandonment; (k) you or an Owner (i) is convicted of or pleads no contest to a felony, a crime involving moral turpitude or any other material crime or (ii) is subject to any material administrative disciplinary action or (iii) fails to comply with any material federal, state or local law or regulation applicable to your Franchised Business; (l) you or an Owner commits an act that can reasonably be expected to adversely affect the reputation of the System or the goodwill associated with the Marks; (m) your Franchised Business is operated in a manner that presents a health or safety hazard to your patients, employees or the public; (n) any material misrepresentation to us, either before or after being granted the franchise; (o) monetary defaults; (p) repeated late payments; (q) unauthorized Transfer; (r) unauthorized use of the Intellectual Property; (s) breaches of any of the restrictive covenants; (t) you fail to deliver to us executed copies of Confidentiality & Noncompetition Agreements required by the terms of this Agreement; (u) termination of the lease for your Franchised Business Location due to your default; (v) we terminate any other agreement between you and us or any of our affiliates because of your default; or (w) repeated failure to timely pay amounts due or submit required reports; or (x) failure to cure curable defaults.
i. Franchisee’s obligations on termination/non renewal	Section 18.1	Obligations include complete de-identification, cease use of intellectual property, return of Manuals and all branded materials, return of software, assignment of customer information and accounts, cancellation of fictitious names, and payment of amounts due (also see “r” below).
j. Assignment of contract by franchisor	Section 16.1	No restriction on our right to assign.
k. “Transfer” by	Section 16.2	Includes transfer of contract or assets, or ownership change.

THE FRANCHISE RELATIONSHIP		
Provision	Sections in Franchise Agreement	Summary
franchisee – defined		
l. Franchisor approval of transfer by franchisee	Sections 16.2, 16.3	If certain conditions are met, you may transfer to a newly-formed Business Entity owned by you, or in certain instances, to an immediate family member or existing owner, without our approval. We have the right to approve all other transfers but will not unreasonably withhold approval.
m. Conditions for franchisor approval of transfer	Section 16.2	Transferee must meet our qualifications, successfully complete training (or commit to do so), obtain all required licenses and permits, and enter into a new franchise agreement for the remainder of the term (or at our option, take assignment of existing franchise agreement). You must be in compliance with Franchise Agreement, paid all amounts due us or third-party creditors, assign your lease, if applicable, remodel the Business to current standards (or get a commitment from transferee to do so), pay us the Transfer Fee, and sign a general release, Confidentiality & Noncomplete Agreements, subordination agreement and other documents we may require.
n. Franchisor’s right of first refusal to acquire franchisee’s business	Section 16.5	We have the right to match any bona fide, arms-length offer for your Franchised Business.
o. Franchisor’s option to purchase franchisee’s business	None	None
p. Death or disability of franchisee	Section 16.4	Within 60 days, franchise must be assigned by estate to an assignee in compliance with conditions for other transfers.
q. Non-competition covenants during the term of the franchise	Section 19.3	You cannot engage in any Prohibited Activities. “ Prohibited Activities ” means (a) acquiring or developing, or having any direct or indirect interest as a disclosed or beneficial owner in, any Competitive Business, other than owning an interest of less than 5% in a Competitive Business that is a publicly traded company; (b) offering or performing medical or home healthcare services (other than through Alvita® Care Business Business); (c) being employed or engaged as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business; (d) diverting or attempting to divert any business from us (or one of our affiliates or franchisees) to a Competitive Business; or (e) inducing any client of ours (or of one of our affiliates or franchisees) to transfer their business to any person that is not then a franchisee of ours. “ Competitive Business ” means any business or facility owning, operating or managing, or granting franchises or licenses to others to do so, any business or establishment that performs that performs home healthcare

THE FRANCHISE RELATIONSHIP		
Provision	Sections in Franchise Agreement	Summary
		services by licensed professionals or companion care services and that are the same or similar to, or competitive with, home healthcare services offered by Alvita® Care Business Businesses.
r. Non-competition covenants after the franchise is terminated or expires	Section 19.4	No Prohibited Activities for 2 years in a Competitive Business (i) within your Protected Area; (ii) within any geographic territory that we have assigned to any other Alvita® Care Businesses whether operated by Franchisees, us or our affiliates; or (iii) within 25 miles of any geographic area that we have awarded to any other Alvita® Care Business.
s. Modification of the agreement	Section 21.9	Requires writing signed by both parties (except for unilateral changes to Manuals or unilateral reduction of scope of restrictive covenants by us). Other modifications primarily to comply with various states laws.
t. Integration/merger clause	Section 21.9	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises made outside of the disclosure document and franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 20	All disputes must be arbitrated, except for certain disputes involving our intellectual property or compliance with restrictive covenants (subject to applicable law).
v. Choice of forum	Section 21.2	Arbitration and any litigation must be conducted where our headquarters is located (currently New York City, New York).
w. Choice of law	Section 21.1	Delaware law (subject to applicable law).

Please refer to any disclosure addenda and contractual amendments appended to this disclosure document or the Franchise Agreement for additional terms that may be required under applicable state law. Please note, however, that if you would not otherwise be covered under those state laws by their own terms, then you will not be covered merely because we have given you an addendum or rider that describes the provisions of those state laws.

ITEM 18 PUBLIC FIGURES

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

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

information provided in this Item 19, for example, by providing information about performance at a particular location or under particular circumstances.

We are disclosing the below sales representative, hourly rate and caregiver wages and expense information for our three (3) company-owned locations that were open as of March 31, 2023 (“**Disclosed Locations**”). The information disclosed below for the Disclosed Locations may not be typical for your Franchised Business. We derived this information from internal company records, and we did not independently audit this information. The Disclosed Locations have been in operation for more than 3 years. The operations of the Disclosed Locations are substantially similar to that of the Franchised Businesses in terms of services offered and operational characteristics, size of facility, and computer/software requirements. The differences between a Franchised Business and the Disclosed Locations are as follows: (a) the Disclosed Locations do not pay royalties, advertising fees or any other associated fees and costs specific to a Franchised Business; (b) the Disclosed Locations do not have territorial restrictions; and (c) sales representatives employed by a Disclosed Location may close a client who lives in a location other than the Disclosed Location to which he/she is primarily assigned (and would only be applicable to franchisees that own more than one Franchised Business).

Table A-1 discloses certain information regarding the sales representatives employed by the Disclosed Locations. We have disclosed those sales representatives that began working for the Disclosed Locations on or after May 1, 2022, and remained employed as of March 31, 2023. The table below discloses Gross Sales¹ derived by each sales representative for the period of time from May 1, 2022, through March 31, 2023, broken down by month, during the time of each sales representative’s employment. All sales representatives are mapped to a single one of the Disclosed Locations. Currently, the Disclosed Locations employ 10 sales representatives total, but we have excluded those sales representatives that produce orders of magnitude more than those recently hired to demonstrate the initial ramp-up period. Generally, sales representatives are employed by a Disclosed Location on a full-time basis and the Disclosed Locations pay both a base salary and bonus based on productivity.

Table A-1

Rep number	Start month	May-22 Gross Sales	Jun-22 Gross Sales	Jul-22 Gross Sales	Aug-22 Gross Sales	Sep-22 Gross Sales	Oct-22 Gross Sales	Nov-22 Gross Sales	Dec-22 ² Gross Sales	Jan-23 Gross Sales	Feb-23 Gross Sales	Mar-23 Gross Sales
SR 1	May-22	\$0	\$3,315	\$123,398	\$173,905	\$140,768	\$147,125	\$188,946	\$341,652	\$201,251	\$165,953	\$181,115
SR 2	Jul-22			\$0	\$2,475	\$20,589	\$36,263	\$27,344	\$77,473	\$60,746	\$54,416	\$84,584
SR 3	Oct-22						\$0	\$8,023	\$27,113	\$37,727	\$65,195	\$80,506
SR 4	Oct-22						\$622	\$7,518	\$40,121	\$85,281	\$108,484	\$99,226
SR 5	Jan-23									\$0	\$60,502	\$56,116
SR 6	Jan-23									\$0	\$22,800	\$45,103

¹“Gross Sales” means the total dollar value of all services billed to clients in a particular month for those clients brought in by the applicable sales representative. This includes services billed to new clients and services billed to existing, recurring clients of a sales representative.

²December numbers are high because there were three billing periods in December instead of the standard two billing periods.

Table A-2 presents the Gross Sales each sales representative produced in months 13-24 of his/her tenure with a Disclosed Location. Of the six sales representatives that have been employed by a Disclosed Location for at least 18 months as of March 31, 2023, we have excluded two sales representatives that

produce orders of magnitude that are substantially higher because it is unlikely that a franchisee will attain that high level of productivity initially. These sales representatives are no longer employed by the Disclosed Locations. The measurement period for this data is listed in the table below.

Table A-2

Rep number	Total Year 2 Gross Sales	Calendar Year Sales Obtained
Sales rep 7	\$1,309,715	2016
Sales rep 8	\$1,849,367	2016
Sales rep 9	\$2,043,389	2018
Sales rep 10	\$1,524,280	2020

Table B presents information regarding the hourly rates charged by the Disclosed Locations and the breakdown of types of positions placed by the Disclosed Locations. This information represents the combined financial results for all of the Disclosed Locations. The measurement period for this data is April 1, 2022, through March 31, 2023.

Table B

Service	Mix	Rates				Hours/week/client			
		% of total Gross Sales	Avg.	High	Low	Median	Avg.	High	Low
Home Health Aide (billed hourly)	80.70%	\$35.69	\$64.00	\$26.50	\$35.00	51.86	185.50	4.00	39.00
Registered nurse (billed hourly)	14.13%	\$138.56	\$225.00	\$75.00	\$145.00	65.51	171.75	4.00	49.25
Registered nurse skilled visit (billed per visit)	3.06%	\$231.87	\$500.00	\$200.00	\$225.00	3.82	25.25	1.00	2.00
Certified nursing assistant (billed hourly)	2.10%	\$49.79	\$50.00	\$38.00	\$50.00	38.75	169.75	4.00	24.00

Table C presents information regarding wages and benefits expense as a percentage of Gross Sales for the calendar years of 2019 through 2022 for the Disclosed Locations.

Table C

Total caregiver wages and benefits¹ expense as a % of Gross Sales
60.05%

¹ Caregiver wages and benefits includes total compensation and benefits paid to caregiver employees, including, without limitation, regular hourly compensation, overtime hourly compensation, worker's compensation, payroll taxes, healthcare and 401K expense (for caregivers that have worked full time for us for over 1 year), and reimbursed expenses (e.g., Ubers for special situations).

Some outlets have earned the amounts shown above. Your individual results may differ. There is no assurance that you'll earn as much.

Written substantiation of the data used in preparing these sales figures will be made available to you upon reasonable request.

You should conduct an independent investigation of the costs and expenses you will incur in operating your Franchised Business. Franchisees or former franchisees, listed in the disclosure document, may be one source of this information.

Other than the preceding financial performance representations, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Moshe Zaghi, and telephone number (212) 273-0490, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-Wide Summary Outlet for Years Ending December 31, 2020, 2021 and 2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
Company-Owned	2020	3	3	0
	2021	3	3	0
	2022	3	3	0
Total Outlets	2020	3	3	0
	2021	3	3	0
	2022	3	3	0

Table No. 2
Transfers of Outlets from Franchisees to New Owners (Other Than the Franchisor)
for Years Ending December 31, 2020, 2021 and 2022

State	Year	Number of Transfers
All States	2020	0
	2021	0
	2022	0
Total	2020	0
	2021	0
	2022	0

Table No. 3
Status of Franchised Outlets for Years Ending December 31, 2020, 2021 and 2022

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
All States	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Totals	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0

Table No. 4
Status of Company-Owned Outlets ⁽¹⁾
For Years Ending December 31, 2020, 2021 and 2022

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
New Jersey	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	1
New York	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	2
Totals	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	3

Table No. 5
Projected Openings as of December 31, 2022

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year (2023)	Projected New Company-Owned Outlets in the Next Fiscal Year (2023)
Connecticut	0	0	1
New York	0	1	0
North Carolina	0	1	0
Ohio	0	1	0
Pennsylvania	0	1	1
South Carolina	0	1	0
Tennessee	0	1	0
Total	0	6	2

The name, address and telephone number of each current franchisee as of the date of this disclosure document are listed in Exhibit "L."

The name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of the 1 franchisees who, in our most recent full fiscal year: (a) had an outlet terminated, cancelled, or not renewed; (b) otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement, as applicable; or (c) who has not communicated with us within 10 weeks of the issuance date of this disclosure document, is listed in Exhibit “M.”

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

We are not offering any existing franchised outlets to prospective franchisees, including those that either have been reacquired by us or are still being operated by current franchisees pending a transfer. If we begin to offer any such outlet, specific information about the outlet will be provided to you in a separate supplement to this disclosure document.

During the last 3 fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

There are no (i) trademark-specific franchisee organizations associated with the franchise system being offered that we have created, sponsored or endorsed; or (ii) independent franchisee organizations that have asked to be included in this disclosure document.

ITEM 21 FINANCIAL STATEMENTS

Our audited balance sheet as of March 3, 2023, dated March 30, 2023, is attached to this disclosure document as Exhibit “A.” Because we have not been operating for three years, we do not have three full years of financial statements to disclose. Our fiscal year end is December 31 of each year.

ITEM 22 CONTRACTS

Attached to this disclosure document (or the Franchise Agreement attached to this disclosure document) are copies of the following franchise and other contracts or agreements proposed for use or in use in this state:

Exhibit “B”	Franchise Agreement
Exhibit “G”	Principal Owner’s Guaranty
Exhibit “H”	Principal Owner’s Statement
Exhibit “I”	Conditional Assignment of Telephone Numbers and Listings and Internet Addresses
Exhibit “J”	Confidentiality, Nonsolicitation and Noncompetition Agreement
Exhibit “K”	Conditional Assignment and Assumption of Lease
Exhibit “N”	Franchise Compliance Certificate

ITEM 23 RECEIPT

Exhibit “O” to this disclosure document are detachable receipts. You are to sign both, keep one copy and return the other copy to us.

EXHIBIT A TO THE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

ALVITA CARE FRANCHISE, LLC

FINANCIAL STATEMENT

MARCH 3, 2023

ALVITA CARE FRANCHISE, LLC

TABLE OF CONTENTS

	<u>PAGE</u>
Independent auditors' report	1 - 2
Financial statement:	
Balance sheet	3
Notes to the financial statement	4 - 5

INDEPENDENT AUDITORS' REPORT

To the Member of
Alvita Care Franchise, LLC

Opinion

We have audited the accompanying balance sheet of Alvita Care Franchise, LLC (a Delaware limited liability company) as of March 3, 2023, and the related notes to the financial statement.

In our opinion, the balance sheet referred to above presents fairly, in all material respects, the financial position of Alvita Care Franchise, LLC as of March 3, 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of Alvita Care Franchise, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Alvita Care Franchise, LLC's ability to continue as a going concern within one year after the date that the financial statement is available to be issued.

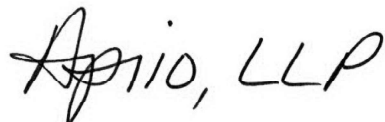
Auditors' Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- 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 Alvita Care Franchise, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Alvita Care Franchise, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

A handwritten signature in black ink that reads "Aprio, LLP". The signature is written in a cursive, flowing style.

New York, New York

March 30, 2023

ALVITA CARE FRANCHISE, LLC
BALANCE SHEET
MARCH 3, 2023

	<u>Amount</u>
ASSETS	
<u>Current assets</u>	
Cash	\$ <u>150,000</u>
Total current assets	<u>150,000</u>
Total assets	\$ <u><u>150,000</u></u>

MEMBER'S EQUITY	
<u>Member's Equity</u>	
Member's capital	\$ <u>150,000</u>
Total member's equity	\$ <u><u>150,000</u></u>

See auditors' report and accompanying notes

ALVITA CARE FRANCHISE, LLC
NOTES TO THE FINANCIAL STATEMENT
MARCH 3, 2023

Note A
Summary of Significant Accounting Policies

Nature of Operations:

Alvita Care Franchise, LLC, a limited liability company ("the Company"), was formed on January 26, 2023, in the state of Delaware. The Company's principal purpose is to offer and sell franchises of Alvita Care®, a home healthcare provider. The Company is a wholly-owned subsidiary of Alvita Care Holdings, Inc. ("Parent"). On March 3, 2023, Parent contributed \$150,000 to the Company. The financial statement is as of the balance sheet date of March 3, 2023.

Basis of Presentation:

The financial statement has been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP), which are contained in the Financial Accounting Standards Board's Accounting Standards Codification.

Use of Estimates:

The preparation of financial statements 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 statement. Actual results could differ from these estimates.

Cash and Cash Equivalents:

The Company considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

Concentration of Credit Risk Arising From Cash Deposits in Excess of Insured Limits:

The Company maintains a cash balance at one commercial bank, the balance could at times exceed the Federal Deposit Insurance Corporation insured deposit limit of \$250,000 per financial institution. The Company has not experienced any losses in this account through the date when the financial statement was available to be issued.

Income Taxes:

The Company has elected Limited Liability Company status under the Internal Revenue Code and similar state statutes. In lieu of federal corporate income taxes, the members of a Limited Liability Company are taxed on their proportionate share of the Company's taxable income. Therefore, no provision for income taxes has been included in the financial statements.

Upon the initial filing, the Company's tax returns will be subject to examinations by tax authorities once filed. In addition, management has assessed tax positions of the Company and determined that there is a less than 51% likelihood that a tax position will not be sustained in an examination by the applicable taxing authority resulting in a tax liability to the Company.

ALVITA CARE FRANCHISE, LLC
NOTES TO THE FINANCIAL STATEMENT
MARCH 3, 2023

Note A
Summary of Significant Accounting Policies (Continued)

Fair Value of Financial Instruments:

The Company's financial instruments, including cash, are carried at cost, which approximates their fair value because of the short-term nature of these financial instruments.

Note B
Subsequent Events

The Company evaluated subsequent events through March 30, 2023, when the financial statement was available to be issued. Management is not aware of any significant events that occurred subsequent to the balance sheet date, but prior to the filing of this report, that would have an material impact on the financial statement.

EXHIBIT B TO THE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT



ALVITA® CARE
FRANCHISE AGREEMENT

AGREEMENT DATE

FRANCHISE OWNER

FRANCHISE NUMBER

ADDRESS OF FRANCHISE:

TABLE OF CONTENTS

	<u>Page</u>
1. INTRODUCTION	1
2. DEFINITIONS.....	2
3. GRANT OF FRANCHISE	3
4. TERRITORIAL RIGHTS	5
5. YOUR HEALTHCARE RESPONSIBILITY.....	6
6. TERM AND RENEWAL	8
7. FEES	9
8. TRAINING AND CONFERENCES	11
9. OTHER FRANCHISOR ASSISTANCE.....	12
10. MANAGEMENT AND STAFFING.....	14
11. OPERATING AND SYSTEM STANDARDS.....	14
12. ADVERTISING & MARKETING.....	18
13. INSURANCE AND INDEMNIFICATION	20
14. RECORDS, REPORTS AND FINANCIAL STATEMENTS.....	21
15. INSPECTIONS AND AUDITS.....	23
16. INTELLECTUAL PROPERTY	24
17. TRANSFERS.....	25
18. TERMINATION.....	27
19. POST-TERM OBLIGATIONS	29
20. RESTRICTIVE COVENANTS.....	30
21. DISPUTE RESOLUTION	32
22. GENERAL PROVISIONS	33

EXHIBITS

Exhibit A – Business Office and Protected Area





ALVITA® CARE **FRANCHISE AGREEMENT**

This Franchise Agreement (this “**Agreement**”) is entered into this ___ day of _____, 20__ (the “**Effective Date**”), regardless of the actual date of signature, between **ALVITA CARE FRANCHISE, LLC**, a Delaware limited liability company, having its principal place of business at 231 W. 29th St., #400, New York, NY 10001 (“**we**” or “**us**” or “**our**”) and _____, a(n) _____ (“**you**” or “**your**”).

1. INTRODUCTION.

1.1 The Alvita® Care Business System. We and our affiliates have expended considerable time and effort in developing a system for managing and operating a home healthcare business providing the following services: home care, private duty nursing (for those with advanced medical needs who require highly specialized assistance is the private duty nursing team), companion services, non-medical home personal care services, hospice care, bedside care at hospitals and skilled nursing facilities, care management (Client Care Managers (CCMs) serve as advocates for our clients and as liaisons to their families), and specialty care and other related services or products that we may develop from time to time (an “**Alvita® Care Business**” or “**Business**”). We

operate under the service mark and trade name “ALVITA®”, “ALVITA®” and “” and other associated logos, designs, artwork and trade dress, trademarks, service marks, commercial symbols, and e-names, which are expected to gain public acceptance and goodwill, and we may create, use and license additional trademarks, service marks, e-names and commercial symbols in conjunction with the operation of Alvita® Care Business (collectively, the “**Marks**”) and under distinctive business formats, methods, procedures, designs, layouts, signs, artwork, music, equipment, trade dress, standards and specifications, all of which we may improve, further develop or otherwise modify from time to time (collectively, with the Marks, the “**System**”). We grant to individuals and to entities owned by individuals who meet our qualifications and are willing to undertake the investment and effort, a franchise to own and operate an Alvita® Care Business offering by certain licensed professionals the products and services we authorize and approve and utilizing the Marks and the System. Alvita® Care Businesses can provide nearly any medical service that is required upon discharge by a hospital, except physician administered and supervised services by licensed physicians (and others employed by them) and surgical services. You have applied for a franchise to own and operate an Alvita® Care Business.

1.2 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 in reliance on all of your representations.

1.3 Delegation of Performance. We may delegate the performance of any portion or all of our obligations under this Agreement to third-parties, whether they are our agents or independent contractors with whom we have contracted to perform these obligations. If we do so, such third-parties will be obligated to perform the delegated functions for you in compliance with this Agreement.

1.4 Business Organization. If you are at any time a business organization (“**Business Entity**”), you agree and represent 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 in 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) the Principal Owners Statement will completely and accurately describe all of your owners and their interests in you, the current form of which is attached to this Agreement as Exhibit H to our franchise disclosure document;

(d) you and your owners agree to revise the Principal Owners 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);

(e) each of your owners during the Term of this Agreement will sign and deliver to us our standard form of Principal Owners Guaranty undertaking to be bound jointly and severally by all provisions of this Agreement and any other agreements between you and us;

(f) at our request, you will furnish true and correct copies of all documents and contracts governing the rights, obligations and powers of your owners and agents (like articles of incorporation or organization and partnership, operating or shareholder agreements). Your organizational structure and governing documents must be acceptable to us and contain terms and provisions to prevent management deadlocks and resolve disputes among your shareholders or owners with minimal disruption to your business operations;

(g) the Business Entity must be permitted under the laws of the applicable jurisdiction to provide professional home healthcare services (e.g., a professional services corporation); and

(h) during the Term, one of your owners will maintain a controlling ownership interest in the Business Entity, with authority to make operational decisions that are binding on you.

2. **DEFINITIONS**

For purposes of this Agreement, the terms below have the following definitions (other terms are defined in the body of this Agreement):

“**Account**” is defined in Section 7.9.

“**Accounting Period**” is defined in Section 7.2.

“**Accounting System**” is defined in Section 14.1(a).

“**Account**” is defined in Section 7.9.

“**Agencies**” is defined in Section 19.1(i).

“**Alvita® Care Business**” is defined in the preamble.

“**Brand Marketing Fund**” is defined in Section 7.3.

“**Brand Marketing Fund Contributions**” is defined in Section 12.1.

“**Business**” is defined in the preamble.

“**Business Entity**” is defined in the preamble.

“**Business Office**” is defined in Section 3.1. The Business Office is described in Exhibit A to this Agreement.

“**Business Office Report**” is defined in Section 3.2.

“**Capital Modifications**” is defined in Section 11.3.

“**Claim**” or “**Claims**” is defined in Section 13.2.

“**Competitive Business**” is defined in Section 20.3.

“**Computer System**” is defined in Section 11.7.

“**Corporate Practice of Medicine**” is defined in Section 5.3(a).

“**Dispute**” is defined in Section 21.1.

“**Dispute Resolution Program**” is defined in Section 21.4.

“**Gross Receipts**” is defined in Section 7.4.

“**EMR**” is defined in Section 11.7.

“**Grossed-Up**” is defined in Section 7.2.

“**Improvements**” is defined in Section 16.5.

“**Indemnified Party**” or “**Indemnified Parties**” is defined in Section 13.2.

“**Initial Franchise Fee**” is defined in Section 7.1.

“**Initial Term**” is defined in Section 6.1.

“**Intellectual Property**” means, collectively or individually, our Marks, Copyrights, Know-how and System.

“**Late Payment Fee**” is defined in Section 7.7.

“**Lease Assignment**” is defined in Section 3.3(b).

“**Licensed Professional**” is defined in Section 5.1.

“**Licenses**” is defined in the preamble and Section 3.1.

“**Losses and Expenses**” is defined in Section 13.2.

“**Manual**” is defined in Section 9.1.

“**Marks**” is defined in the preamble.

“**Opening Date**” is defined in Section 3.5.

“**Operating Principal**” is defined in Section 10.1.

“**Organizational Associates**” is defined in Section 11.13.

“**Payment Day**” is defined in Section 7.2.

“**Permitted Disability**” is defined in Section 17.4.

“**Permitted Transfer**” is defined in Section 17.3.

“**Prohibited Activities**” is defined in Section 20.3.

“**Post-Term Restricted Period**” is defined in Section 20.4.

“**Proprietary Products**” is defined in Section 17.3.

“**Protected Area**” is defined in Section 4.1. You will receive a protected geographic area described in Exhibit A.

“**Relocation Fee**” is defined in the preamble and Section 3.2.

“**Renewal Term**” is defined in Section 6.2.

“**Report Day**” is defined in Section 7.2.

“**Response Notice**” is defined in the preamble and Section 6.3.

“**Routine Maintenance**” is defined in Section 11.3.

“**Royalty**” is defined in Section 7.2.

“**Search Area**” is defined in Section 3.2 and shown on Exhibit A.

“**Successor Franchise Agreement**” is defined in Section 6.4.

“**Successor Franchise Fee**” is defined in Section 6.6.

“**System**” is defined in the preamble.

“**System Standards**” is defined in Section 11.1.

“**Technology Fee**” is defined in Section 7.5.

“**Technology Services**” is defined in Section 7.5.

“**Term**” is defined in Section 6.2 (each, a “**Renewal Term**” and with the “**Initial Term**”, collectively referred to as the “**Term**”).

“**Transfer**” is defined in Section 17.2.

“**Transfer Fee**” is defined in Section 17.2(h).

“**Upgrades**” is defined in Section 11.3.

“**Trade Dress Updates**” is defined in Section 11.3.

“**Website**” is defined in Section 12.9.

3. GRANT OF FRANCHISE

3.1 Grant. We grant you a franchise to own and operate an Alvita® Care Business using our Intellectual Property from a single location that we accept (your “**Business Office**”), and at no other location (temporary or permanent). The Business Office is described in Exhibit “A” to this Agreement. If the location of the Business Office has not been determined at the time you sign this Agreement, it will be determined in accordance with this Agreement and the address of the Business Office will then be inserted in Exhibit “A” and on the cover page. You may only provide those health care services that you are licensed or certified to provide in the jurisdiction in which you operate. It is your responsibility to obtain licenses for the home health services your Business provides. There may be additional permitting and licensing requirements based on your operation of this Business that will vary by state. The grant of a franchise to own and operate an Alvita® Care Business does not grant you the license necessary to provide home health care services. You are solely responsible for obtaining and maintaining any and all accreditations, approvals, certifications, licenses and permits (collectively, the “**Licenses**”) in your name or in the names of your personnel (as applicable) as long as you are a franchisee of Alvita® Care Business.

3.2 Business Office Selection. You must locate and obtain our acceptance of the Business Office within 45 days after the Effective Date. The Business Office must be centrally located within the geographic area (the “**Search Area**”) shown on Exhibit “A.” The location of the Business Office must conform to our Business Office selection criteria as outlined herein and the Manual, which may vary in our discretion. You must send us a report containing all of the demographic, commercial and other information, photographs and video recordings that we may reasonably require (a “**Business Office Report**”) for the site of your proposed Business Office. We have the right to accept or reject all proposed sites in our commercially reasonable judgment. We will use commercially reasonable efforts to accept or reject a proposed location for your Business Office within 7 days after we receive the complete Business Office Report. Your Business Office location is deemed rejected if we fail to issue our written acceptance within the 7-day period. Once we have accepted the location of your Business Office, you may not relocate your Business within the Protected Area without our prior written approval. If we permit you to relocate your Business, you must pay us a fee equal to 25% of our then-current initial franchise fee (the “**Relocation Fee**”).

Our acceptance of a location for your Business Office does not constitute a representation or warranty of any kind, express or implied, of the suitability of the location for an Alvita® Care Business;

(a) Our acceptance of the location of your Business Office indicates only that we believe the location meets our minimum criteria;

(b) You may not operate your Business from any location other than the Business Office location that we have accepted; and

(c) Application of criteria that have appeared effective with respect to other Business Office locations may not accurately reflect the potential for all Business Office locations, and, after our acceptance of a Business Office location, demographic and/or other factors included in or excluded from our criteria could change to alter the potential of a Business Office location.

3.4 Lease of Business Office.

(a) You shall negotiate and execute a lease for your Business Office within 45 days after we have accepted your Business Office location. You agree to deliver copies of the proposed lease agreement and related documents to us prior to signing them and not to sign any lease agreement or related documents (or any renewal of them) unless we have accepted them. Our acceptance, which will not be unreasonably withheld, will be limited to ensuring that the lease and related documents are consistent with this Agreement and our standards and specifications for Alvita® Care Business Businesses. You must send us a copy of your fully signed lease for our records no later than 5 days after execution of the lease.

(b) When entering into such a lease, you and the lessor must sign our then-current form of Conditional Assignment of Lease Agreement (the “**Lease Assignment**”), a copy of which is attached to our Franchise Disclosure Document. 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.

(c) You acknowledge that our approval of the lease for the location of the Business Office does not constitute a guarantee or warranty, express or implied, of the successful operation or profitability of an Alvita® Care Business operated at the location. Such approval indicates only that we believe that the location and the terms of the lease fall within the acceptable criteria we have established as of the time of our acceptance. You further acknowledge that we have advised you to have an attorney review and evaluate the lease.

3.5 Opening. The date your Business opens to the public for business is the “**Opening Date.**” Your Opening Date must be no later than 4 months after the Effective Date. Unless we otherwise agree in writing, you may not open your Business before: (i) you complete the initial training program to our satisfaction; (ii) you purchase all required insurance; (iii) you obtain all other federal and state licenses and other governmental approvals necessary to provide the services your Business will offer; and (iv) we give you our written authorization to do so. You must send us a written notice identifying your proposed opening date at least 15 days before opening. We may conduct a pre-opening inspection of your Business and you agree to make any changes we require before opening. **TIME IS OF THE ESSENCE. THE OPENING OF YOUR BUSINESS IS YOUR ACKNOWLEDGEMENT THAT WE HAVE FULFILLED ALL OF OUR PRE-OPENING OBLIGATIONS TO YOU.**

4. TERRITORIAL RIGHTS

4.1 Protected Area. You will receive a protected geographic area described in Exhibit “A” (the “**Protected Area**”). The size of a Protected Area will not be increased or reduced due to any change in population during the Term. As long as you are in full compliance with this Agreement, and except as otherwise permitted in this Agreement, we and our affiliates will not operate, or grant a franchise to anyone else to operate, an Alvita® Care Business at a fixed or permanent location inside the Protected Area. You must only provide services that we approve and which you are licensed to provide. If your Protected Area extends into another state and you do not obtain the necessary licenses to provide services in that state, you must not provide services in the state where you are not licensed. Your Protected Area will not overlap with any other franchisee’s protected area. You may not provide services to patients outside of your Protected Area.

4.2 Reserved Rights. We reserve all rights not expressly granted to you pursuant to this Agreement. Nevertheless, except as expressly granted in this Agreement, we (and our affiliates) retain all rights with respect to Alvita® Care Business, the Marks, the sale of similar or dissimilar products and services, and any other activities we (or our affiliates) deem appropriate wherever and whenever we determine, including without limitation, the right to:

(a) solicit prospective franchisees and grant other persons franchises, or other rights to operate Alvita® Care Business through national or regional advertising, trade shows or conventions, or using or through the Internet or other form of e-commerce or through similar means, wherever located, including your Business;

(b) host prospective and current franchisees at your Business and have tours conducted in/at your Business;

(c) own and operate, and grant to others the right to own and operate, Alvita® Care Business Businesses ourselves or through affiliates anywhere outside of your Protected Area;

(d) sell, solicit, recruit and provide services for any business not operating under the Marks in your Protected Area;

(e) sell, and provide the products and/or services authorized for sale by, Alvita® Care Business under the Marks or other trade names, trademarks, service marks and commercial symbols through similar or dissimilar channels (like telephone, mail order, kiosk, co-branded sites and sites located within other retail businesses, Internet, websites, wireless, email or other forms of e-commerce), including in grocery, pharmacy and other retail stores, for distribution within and outside of your Protected Area and pursuant to such terms and conditions as we consider appropriate;

(f) acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided by Alvita® Care Business, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in your Protected Area);

(g) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided by Alvita® Care Business, or by another business, even if such business operates, franchises and/or licenses Competitive Businesses in the Protected Area;

(h) conduct all internet related, e-commerce, social media and related communications relating to the operation of Alvita® Care Business or the selling of services offered at any of the Alvita® Care Business Businesses. We will have the sole right to establish one or more websites that contain any of the Marks or that advertise, market or promote any of the services that we authorize for Alvita® Care Business. You agree to follow our rules and policies with respect to the use of the internet and social media, both for advertising and marketing, and for the conducting of electronic commerce. We may engage in internet and e-commerce, marketing, promotion and operation even if those activities affect patient relationships within your Protected Area;

(i) solicit prospective franchisees for, and own and operate, businesses of any other kind or nature, anywhere so long as such businesses are not operated under the Marks;

(j) vary System Standards or other aspects of the System for any franchise owner (and you have no right to require us to grant you a similar variation or accommodation); and

(k) own and operate, and grant to others the right to own and operate businesses anywhere for either: (i) the provision of non-medical home personal care services; or (ii) physician administered and supervised services by licensed physicians (and other employed by them).

4.3 Minimum Performance Requirements. You must generate at least the following Gross Receipts per 12-month period from the Opening Date:

Period	Minimum Gross Sales
Months 1 through 12	\$250,000
Months 13 through 24	\$600,000
Months 25 through 36	\$750,000
Months 37 through 48	\$875,000
Months 49 through 60	\$1,050,000

If you fail to meet these minimum performance requirements, we may (a) require you to complete additional training at your expense; (b) reduce the size of your Protected Area; or (c) terminate this Agreement.

4.4 Business Judgment. Because complete and detailed uniformity under many varying conditions might not be possible or practical, you acknowledge that we specifically reserve the right and privilege, as we deem appropriate according to our business judgment, and subject to reasonable deviations, to vary System Standards or other aspects of the System for any franchisee. You have no right to require us to grant you a similar variation or accommodation.

5. YOUR HEALTHCARE RESPONSIBILITY

5.1 Compliance with Healthcare Related Laws. Without limiting your other obligations under this Agreement to comply with all applicable laws and regulations, you must ensure that your relationships with licensed medical professionals (e.g., registered nurses, licensed practical nurses, certified nursing assistants, medical social worker) and certified medical professionals (e.g., nursing assistant, home health aides, or assisted living nurse) (collectively, “**Licensed Professional**”), and the manner in which your Business provides services, comply with all applicable laws, rules, regulations, ordinances, and standards of professional conduct. You are solely responsible for ensuring that the Licensed Professionals, as well as any other healthcare-related professionals who are employed by or work for you in any manner, are properly licensed or certified, trained, educated, and experienced to perform the tasks assigned to them or which they are likely to engage in during their relationship with you, your patients, or Alvita® Care Business Businesses.

5.2 Practice of a Profession. You acknowledge and agree that: (a) we do not intend for our licensing or franchising of, or providing services to, Alvita® Care Business to constitute our engagement in the practice of medicine or other form of healthcare or treatment or any other profession requiring specialized training, certification or licensure, including the ordering of any test, diagnosis or treatment of any individual whatsoever (collectively, the “**Practice of a Profession**”); (b) the Practice of a Profession in any manner provided through your Business must only be performed by Licensed Professionals or certain other properly trained, certified and licensed professionals, in categories of service which we designate or approve; (c) in some states, operation of, or operation of certain aspects of, an Alvita® Care Business may be considered the Practice of a Profession, the practice of medicine or other form of healthcare or other form of a Practice of a Profession and may or may not require a medical license or some other form of professional license or certification which you or your personnel may be required to obtain before your or their operation of your Business; and (d) in all states, the individuals who engage in Practice of a Profession, the practice of medicine or other form of healthcare must be Licensed Professionals, or otherwise be permitted by law to engage in the practice of medicine or other form of healthcare under the supervision of Licensed Professionals or otherwise in accordance with applicable state law.

5.3 Licensure.

(a) You acknowledge and agree that the Practice of a Profession and certain other healthcare or treatment related activities may be performed only by Licensed Professionals or certified professionals, or in certain circumstances, permitted by law under the direct supervision and control of a lawfully licensed certified professional and it is your sole responsibility to comply with applicable law. We do not

make, and have not made, any representations of any kind whatsoever that your Business does, or does not, violate: (i) any laws governing the practice of medicine or other form of healthcare or any other form of the Practice of a Profession, or the various legal doctrines commonly referred to as the “**Corporate Practice of Medicine**”; (ii) state and federal laws governing self-referral by healthcare providers and others; patient brokerage provisions; patient privacy laws, rules or regulations; or (iii) any other law, rule or regulation related to the field of medicine or public health. You are solely responsible for ensuring that your Business complies with all laws, rules and regulations applicable to the operation of your Business.

(b) You must begin the process of obtaining Licenses within 30 days after the Effective Date. You must obtain your state license within 180 days after the Effective Date. You must notify us in writing within 48 hours after your Business obtains the Licenses and provide us with copies of the Licenses. You represent and warrant that you will keep all Licenses current and valid for the Term. It is your responsibility to timely obtain and maintain all appropriate and required Licenses.

5.4 No Interference. We will not interfere with, supervise, or assume any responsibility for you or your Licensed Professionals’ or other employees’, contractors’, or agents’ exercise of their professional judgment with respect to the care and treatment of patients. This provision controls and modifies any contrary provision of this Agreement that would in any manner affect or purport to limit the independent exercise of professional judgment by you, your Licensed Professionals or other employees, contractors or agents, or that would require us to engage in any activity that would constitute the Practice of a Profession. All medical decisions, acts or omissions made by, or in connection with, any person in any way associated with your Business in the course of the Practice of a Profession will be the decisions of the individual professional(s) involved and will not be affected by or attributed to us.

5.5 Responsibility for Treatment. You acknowledge and agree that we in no way whatsoever will be responsible for any decisions, acts or omissions related to the medical care or treatment of, or the Practice of a Profession in relation to, or violation of the privacy interests of, any person in any way whatsoever associated with your Business. You agree to take all necessary measures to inform all individuals associated with, and potential patients of, your Business that we have no control over or responsibility for any person’s or persons’ Practice of a Profession.

5.6 Billing. You are solely responsible for all of your billing and relationships with third-party payors, health insurance companies and governmental agency programs, and directly to patients. We will not provide any billing or collection services for you. We do not offer any advice, guidance or recommendations regarding, nor do we require that you adhere to any, billing, coding or other practices whatsoever, whether dealing with direct bills to patients or billing to insurance companies, and governmental agency programs or \ advise you in any respect relating to billing, reimbursements and/or all other aspects in dealing with those third-party payment systems as well as billing direct to patients. You are solely responsible for all aspects of participating in such procedures and are solely responsible for payment of any refunds allegedly due to them. We will not be responsible for payment of any refunds attributable to any amounts that you repay to such payors as a result of such proceedings. You are not permitted to accept Medicare or Medicaid.

6. TERM AND RENEWAL

6.1 Generally. Unless earlier terminated in accordance with the terms of this Agreement, this Agreement begins on the Effective Date and expires on the fifth anniversary of the Effective Date (the “**Initial Term**”). 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 Business during the Term. As a franchisee of an Alvita® Care Business, you will comply with this Agreement and all System Standards in order to maintain the high and consistent quality that is critical to attracting and keeping patients for Alvita® Care Business Businesses.

6.2 Acquisition of a Successor Term. Upon expiration of this Agreement, subject to the conditions of this Section and this Agreement, you may request, and we may grant you, the right to acquire a successor

franchise to operate the Alvita® Care Business for two additional, consecutive 5-year periods, each on the terms and conditions of the then-current form of franchise agreement we are then using to grant franchises for Alvita® Care Business Businesses at the time of renewal, if you (and each of your owners) have substantially complied with this Agreement during its Term, comply with this Section 5, and either (each, a “**Renewal Term**” and with the Initial Term, collectively referred to as the “**Term**”):

(a) you maintain possession of and agree to remodel and/or expand the Business, add or replace improvements, equipment and signs and otherwise modify the Business as we require to bring it into compliance with specifications and standards then applicable for Alvita® Care Business Businesses; or

(b) if you are unable to maintain possession of the Business Office for your Business, or if, in our judgment, we determine that the Business should be relocated, you secure a substitute Business Office we approve, develop such Business Office in compliance with our then-current specifications and standards for Alvita® Care Business Businesses and continue to operate the Business at the current Business Office until operations are transferred to the substitute Business Office.

6.3 Grant. In addition to the above, you must give us written notice of your election to acquire a successor franchise no earlier than 12 months, and no later than 10 months, before the end of the Term. We will respond (“**Response Notice**”), within 60 days after we receive your notice, of our decision, either:

(a) to grant you a successor franchise;

(b) to grant you a successor franchise on the condition that deficiencies of the Business, or the operations of the Business, are corrected; or

(c) not to grant you a successor franchise based on our determination that you (and/or your owners) have not substantially complied with this Agreement during its term.

If applicable, our Response Notice will:

(d) describe the remodeling and/or expansion of the Business and other improvements or modifications required to bring the Business into compliance with then applicable specifications and standards for Alvita® Care Business Businesses; and

(e) state the actions you must 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 the 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.

In our discretion, we may extend the term of this Agreement for such period of time as we deem necessary in order to provide you with either reasonable time to correct any deficiencies or as required under applicable law. Such extension shall be governed by this Agreement and will not constitute the grant of a successor franchise.

6.4 Agreements/Releases. If we grant you a successor franchise, you and your owners must sign the then-current form of franchise agreement, and any ancillary agreements, we are then using in connection with the grant of franchises for Alvita® Care Business Businesses (the “**Successor Franchise Agreement**”). You, your affiliates and your and their owners further agree to sign general releases, in form satisfactory to us, of any and all claims against us, our affiliates, and each of our and their shareholders, officers, directors, employees, agents, successors and assigns. Failure by any party to refuse to sign the Successor Franchise Agreement and general

releases and deliver them to us for acceptance and signature within 60 days after their delivery to you will be deemed an election not to acquire a successor franchise.

6.5 Training and Refresher Programs. Our grant of a successor franchise is also conditioned on the satisfactory completion by you (or your owners) of any new training and refresher programs as we may reasonably require.

6.6 Successor Franchise Fee. Our grant of a successor franchise is contingent on your payment to us of a successor franchise fee (the “**Successor Franchise Fee**”) which is 10% of our then-current initial franchise fee and is due upon execution of the Successor Franchise Agreement.

6.7 Subsequent Successor Franchises. The fees and other conditions for any later granting of subsequent successor franchises will be governed by the successor franchise agreement (as described above) and which will, itself, provide for terms and conditions for you to obtain a subsequent successor franchise.

6.8 Holdover. If you do not renew pursuant to the terms of this Section upon the expiration of the Initial Term or any Renewal Term and continue to accept the benefits of this Agreement, then, at our option, this Agreement may be treated as: (i) expired as of the date of the Initial Term’s or Renewal Term’s, as applicable, expiration, which will result in your operating the Franchise without a license in violation of our rights; or (ii) continued on a month-to-month basis until we provide you with notice of our intent to terminate the month-to-month term. In the latter case, all of your obligations shall remain in full force and effect as if this Agreement had not expired, and all obligations and restrictions imposed upon you upon the expiration of this Agreement shall be deemed to take effect upon the termination of the month-to-month term.

7. FEES

7.1 Initial Franchise Fee. You will pay us a one-time initial franchise fee (the “**Initial Franchise Fee**”) in the amount of (i) \$55,000 on the Effective Date for a Protected Area consisting of population of not less than 15,000 persons at least 65 years of age whereby we do not grant you the right to provide staffing services; or (ii) \$65,000 on the Effective Date for a Protected Area consisting of population of not less than 15,000 persons at least 65 years of age whereby we do grant you the right to provide staffing services. The Initial Franchise Fee will be increased by \$2,500 for each additional 1,000 person block of at least 65 years of age in your Protected Area. Your Initial Franchise Fee will be stated on Exhibit “A” to this Agreement. The Initial Franchise Fee is nonrefundable and is fully earned by us when paid.

7.2 Royalties. In return for our provision of the right to use the System (among other things), you agree to pay us a royalty payment (“**Royalty**”) in the amount of (i) 6% of your Business’ Gross Receipts during each Accounting Period that have not been provided to you by us for a closed Business; plus (ii) 2% of your Business’ Gross Receipts during each Accounting Period that have been provided to you by us for a closed Business. We will specify the Accounting Period, Payment Day and Report Day in the Manual. On the day we designate (the “**Report Day**”) of each Accounting Period, you must report the amount of your Gross Receipts for the preceding Accounting Period. “**Accounting Period**” is that period we designate in the Manual. You must pay us the Royalty so that we receive it on or before the 2nd business day following the Report Day (the “**Payment Day**”) for the immediately preceding Accounting Period. If we determine that applicable laws or regulations will not permit the Royalty payment to us in a manner that is based on Gross Receipts, or raises sufficient risk of being held unlawful, then we may require you to pay the Royalty to us in an amount equal to the following:

Period	Monthly/ Weekly Royalty
Months 1 through 12	\$2,500 / \$577
Months 13 through 24	\$6,000 / \$1,385
Months 25 through 36	\$8,750 / \$2,020
Months 37 through 48	\$10,000 / \$2,300
Thereafter	\$10,500 / \$2,355

We will notify you of the amount due and you must pay it by the Payment Day. We require you to pay the Royalty by electronic funds transfer. If the state(s) in which you operate assess a tax on Royalty payments to us that would have the effect of reducing the net amount we receive, then the amount of the Royalty due will be automatically increased (“**Grossed-Up**”) so that we receive the full net amount of the Royalty otherwise due in this Agreement.

7.3 Brand Marketing Fund Contributions. Upon notice from us, you must pay to us marketing fund contributions (the “**Brand Marketing Fund Contributions**”) in the amount we designate, up to 2% of Gross Receipts during the Initial Term, during each Accounting Period (and is currently at 1%). If we determine that applicable laws or regulations will not permit the payment of Brand Marketing Fund Contributions to us in a manner that is based on Gross Receipts, or raises sufficient risk of being held unlawful, then we may require you to pay Brand Marketing Fund Contributions to us, in an amount equal to the average Brand Marketing Fund Contributions we receive from all other Businesses in the immediately preceding Accounting Period. We will notify you of the amount due and you must pay it by the Payment Day.

7.4 Definition of “Gross Receipts.” As used in this Agreement, the term “**Gross Receipts**” means all revenue you collect from operating your Business, including, without limitation, all amounts you collect from any activities or services whatsoever, whether at or away from your Business, including any products or services that are in any way associated with the Marks, and whether from cash, check, barter, debit or credit, and whether or not the amounts are received directly from patients, government agencies, insurance companies, third-party payors, or employers, but excluding: (i) all federal, state or municipal sales, use or service taxes collected from patients or third-party payors and paid to the appropriate taxing authorities; (ii) promotional discounts or coupons we require; and (iii) patient refunds, adjustments, credits, or allowances made by the Business in good faith and in accordance with our policies, but excluding any refunds to third-party payors, insurance companies or governmental agencies relating to post-payment audits, reviews or investigations.

7.5 Technology Fee. You are required to pay us a weekly fee (the “**Technology Fee**”), currently \$175 per week to be used to pay a third-party designated vendors for ongoing services including the reporting system and business portal (the “**Technology Services**”), which amount may be increased by 10% on an annual basis; provided, however, the Technology Fee will not exceed \$250 per week during the Initial Term. The Technology Fee is due to us weekly on the Payment Day.

7.6 Other Fees and Payments. You agree to pay all other fees, expense reimbursements and other amounts specified in this Agreement in a timely manner as if fully set forth in this Section. You also agree to promptly pay us an amount equal to all taxes levied or assessed against us based upon goods or services that you sell or based upon goods or services that we furnish to you (other than income taxes that we pay based on amounts that you pay us under this Agreement).

7.7 Interest on Late Payments. If any sums due under this Agreement have not been received by us when due (or there are insufficient funds in your Account to cover any sums owed to us when due) then, in addition to those sums, you must pay us interest on the amounts past due at the annual rate of 10% per annum and a late payment fee of \$150 per occurrence (a “**Late Payment Fee**”). If you incur 3 Late Payment Fees in any consecutive 12-month period, we may terminate this Agreement. This Section does not constitute our agreement to accept the late payments after same are due, or a commitment by us to extend credit to or otherwise finance the operation of your Business.

7.8 Insufficient Funds. In the event any check you tender to us for payment is returned or there are insufficient funds in such account, or any electronic funds transfer from your account is denied for insufficient funds or any charge to your credit card is declined in connection with any payment to us, you must pay to us our then-current fee for returned checks or insufficient funds, which currently is \$250 per occurrence. The fee is due immediately on any dishonored checks or notice of rejection or denial for any electronic funds transfer or credit

card transactions. If you have 3 or more occurrences of insufficient funds within any consecutive 12-month period, we have the right to terminate this Agreement.

7.9 Method of Payment/Electronic Funds Transfer. We require you to pay amounts due to us by electronic funds transfer on the Payment Day. You must comply with the procedures we specify in our Manual and perform such acts and sign and deliver such documents as may be necessary to accomplish payment by this method. On the Report Day designated in the Manual, you must report to us by telephone or electronic means or on written form, as we direct, the Business' true and correct Gross Receipts for the immediately preceding week. We require you to give us written authorization (in the form we designate), to initiate debit entries or credit correction entries to your Business' bank operating account (the "**Account**") for payments of Royalties and other amounts due under this Agreement, including any applicable interest charges. You must 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 Royalties will be based on the Business' Gross Receipts reported to us on the Report Day. If you have not reported the Business' Gross Receipts to us for any reporting period, we may transfer from the Account an amount calculated in accordance with our reasonable estimate of the Business' Gross Receipts during any such reporting period. If we determine at any time that you have under-reported Gross Receipts or underpaid Royalties 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 Report Day after you and we determine that such credit is due.

7.10 Application of Payments. We retain the sole discretion to apply any payments from you to any past due indebtedness of yours or in any other manner we feel appropriate.

7.11 Payment Offsets. We may set off from any amounts that we may owe you any amount that you owe to us, or our affiliates, for any reason whatsoever, including, without limitation, Royalties, Brand Marketing Fund Contributions, late payment fees and late payment interest, amounts owed to us or our affiliates 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 or our affiliates from time to time. In particular, we may retain (or direct to our affiliates) any amounts that we have received for your account as a credit and payment against any amounts that you may owe to us, or our affiliates, at any time. We may do so without notice to you at any time. However, you do not have the right to offset payments owed to us for amounts purportedly due to you from us.

8. TRAINING AND CONFERENCES

8.1 Initial Training Program. You and your manager (as applicable) must attend and successfully complete to our satisfaction our initial training program, before the Opening Date, unless we otherwise agree in writing. The Initial Franchise Fee covers the training fee for up to 3 individuals attending the initial training at our designated location at the same time. We will determine the duration of the initial training program, in our sole discretion, based on our assessment of your qualifications and business experience. Our initial training program will be for a period of approximately 17 to 21 days. You are responsible for all travel and living expenses for your trainees. If you request that we train additional personnel, we may charge a fee up to \$300 for each additional person that attends the initial training at any time. Each person who attends training may be required to sign and deliver to us a liability waiver and release form, a non-competition agreement, and a confidentiality, non-solicitation and assignment of inventions agreement, in forms reasonably satisfactory to us. Training will take place in our affiliate-owned office, onsite at your Alvita® Care Business, or at another designated location determined by us. If you and your manager do not complete initial training, to our satisfaction, we will terminate the Franchise Agreement and retain the Initial Franchise Fee.

8.2 Onsite Training. We will provide up to 4 days of on-site assistance within the first 60 days immediately after the Opening Date. You may request, and we may agree, at our option and subject to the availability of our personnel, to provide other on-site training at your Business; provided, if we do so, you agree to pay us our then-current per diem rate for each member of our personnel who provides on-site assistance and

subject to change without prior notice, and you will be responsible for their reasonable travel, meals, lodging and other expenses (currently, \$500 per day, per trainer).

8.3 Ongoing Training. We may hold additional ongoing training programs for you at such times and locations as we deem necessary or appropriate. We also may make any of these training programs mandatory. If we require you to attend ongoing training, you will pay our then-current training session fee (currently, \$300 per training session).

8.4 Mandatory Annual Training. We may offer mandatory refresher training on an annual basis for you and certain of your personnel at locations we designate. This training may include attendance at a national business meeting or annual convention, trade shows, participation in approved ongoing education or certification courses, webinars, phone conferences and/or regional franchisee meetings. We may charge our then-current fee for each person who attends an annual training program (currently, \$300 per training session). This fee is due before the training begins. In addition to the mandatory refresher training we provide, you and your personnel must complete any government agency mandated ongoing training or continuing education to maintain your Licenses.

8.5 Conferences. We may hold periodic national or regional conferences, including an annual conference, to discuss various business issues and operational and general business concerns affecting Alvita® Care Business Businesses. Attendance at these conferences is mandatory.

8.6 Expenses You are responsible for all food, lodging and travel costs, and salaries, that you, your owners and employees incur while attending any training program or conference.

8.7 Failure to Attend. If you fail to attend 2 consecutive mandatory refresher trainings, we may terminate this Agreement if you fail to attend the next available mandatory refresher training.

9. OTHER FRANCHISOR ASSISTANCE

9.1 Operating Manual. To ensure the uniform quality and appearance of Alvita® Care Businesses, you agree to establish and operate your Business in accordance with our confidential operating manual and any other writings, materials or guidance we provide to you (collectively, the “**ManualError! Bookmark not defined.**”). The Manual may contain, among other things: (a) a description of the authorized goods and services that you may offer at your Business; (b) mandatory and suggested specifications, operating procedures, and quality standards for products, services and procedures that we prescribe from time to time for Alvita® Care Business franchisees; (c) mandatory reporting and insurance requirements; (d) mandatory and suggested specifications for your Business; and (e) a written list of goods and services (or specifications for goods and services) you must purchase for the construction of your Business and the development and operation of your Business and a list of any designated or approved suppliers for these goods or services. We can modify the Manual at any time, and you must implement any changes to the Business based on our changes to the Manual at your sole cost and expense. During the Term, we will provide you access to the Manual (which may be electronic). The information in the Manual is confidential and proprietary, and owned by us, and may not be disclosed to third parties, or used in any way except in accordance with the terms of this Agreement.

9.2 Software and Technology. We hereby grant to you a limited, non-exclusive, non-transferable license to use any and all software which we may now or hereafter make available to you, and which is owned by or licensed to us (the “Software”), solely in connection with the Business. We may charge license and/or support fees for your use of such Software and/or for access to any intranet that we establish or maintain. You hereby acknowledge and agree that, as between us and you, we are the sole and exclusive owner of all right, title and interest in and to the Software, including, without limitation, any copyright, patent right and other intellectual property or proprietary right therein or thereto, and you will not make any claim to the contrary. All rights to the Software except those that are expressly granted to you hereunder are specifically reserved to us and our licensors, if any. You shall not copy, modify, create derivative works or otherwise use the Software for any purpose other

than in connection with the operation of your Business. Upon expiration or termination of this Agreement for whatever reason, all rights and licenses granted hereunder with respect to the Software will terminate, and you will return the Software and any and all copies thereof to us, at your expense, and certify to us that all such copies have been returned. If the Software fails to perform substantially in accordance with any applicable specifications provided by us at any time during the term of this Agreement, you must so notify us and we will, as our sole obligation and your sole remedy hereunder, use commercially reasonable efforts to repair or replace the same. EXCEPT AS PROVIDED IN THE PRECEDING SENTENCE, WE MAKE NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE SOFTWARE, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY AS TO TITLE, NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR ANY INTENDED PURPOSE, AND WE HEREBY DISCLAIM THE SAME. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, WE MAKE NO WARRANTY THAT THE SOFTWARE WILL OPERATE UNINTERRUPTED OR ERROR FREE. In no event will we be liable for any incidental, consequential, punitive or special damages.

You must use a third party payroll service provider. We may require you to use an external accounting services vendor. All fees referenced in this Section are due on the Payment Day or as otherwise specified in the Manual.

Additional Assistance Upon Request. Upon your written request, we may provide additional assistance or training to you at a mutually convenient time. If we agree to provide the additional assistance or training, you agree to pay our then-current additional training fee (currently, \$500 per day, per trainer). If we provide additional assistance or training at your Business, you must also reimburse us for all costs that we incur for food, lodging and travel. The additional assistance fee and any expense reimbursement, if applicable, are due 10 days after invoicing.

9.3 General Guidance. In our discretion and judgment, we will provide you with guidance and recommendations for operating your Business over the phone, via email, and in person. We will also provide you with in-person assistance developing a business plan, provide you with advertising support, and negotiate with suppliers on behalf of the Alvita® Care System.

9.4 Approved Suppliers. We may, but need not, negotiate purchase agreements with suppliers to obtain discounted prices for us and Alvita® Care Business franchisees. We may receive compensation from suppliers for our procurement and purchasing services. We may also purchase certain items from suppliers in bulk and resell them to you at our cost plus shipping fees and a reasonable markup. If you want to propose the use of alternative products or supplier, we reserve the right to charge you a fee of up to \$1,500 fee to cover our costs in evaluating such product or supplier. We will refund the fee to you if we approve the new product or supplier.

9.5 Discount Purchases. It may be beneficial to acquire inventory in bulk for cost savings and quality control. Thus, we may purchase in bulk certain inventory and either resell those items, or have suppliers sell direct, to you and other Alvita® Care Business franchisees at discounted prices that we negotiate (subject to any rebates the suppliers pay to us for our purchasing and sourcing services). We make no representations or warranties (and specifically disclaim all warranties including the implied warranty of merchantability or fitness for a particular purpose) and shall have no liability to you with respect to the items that you purchase from us. Payments for these goods will be due at the time the order is placed. You are responsible for all shipping and handling costs.

10. MANAGEMENT AND STAFFING

10.1 Operating Principal(s). You acknowledge and agree that the active, continuing, and substantial personal involvement and on-site Business Office supervision of the Business by you and your owners is a major factor in determining the success of your Business. If you are a Business Entity or more than one natural person under this Agreement, then you must designate one or more of your owners or principal officers who owns at least

25% of your equity interests and whom we approve (the “**Operating Principal**”), to directly supervise and be responsible for the day-to-day management and proper operation of the Business in all respects whatsoever. If the Operating Principal separates from you or from your Business, you must replace that Operating Principal with an Operating Principal we approve within 30 days and the successor must complete initial training to our satisfaction within 30 days after our approval. Either you or a designee whom we approve must serve as interim operating principal while you are looking for the Operating Principal’s replacement. The Operating Principal must successfully complete our initial training program no later than 20 days prior to opening the Business. The Operating Principal and any key employees we designate must also complete any other training programs we require from time to time. Your employees who have access to our trade secrets and other confidential information must execute a non-competition agreement and a confidentiality, non-solicitation and assignment of inventions agreement, in forms reasonably satisfactory to us, before having access to said operational systems, trade secrets, and other confidential information. The appointment of the Operating Principal will not relieve you of your obligations under this Agreement.

11. OPERATING AND SYSTEM STANDARDS

11.1 Manual. We will loan you, during the Term, one copy of the Manual (in the format we choose), consisting of such materials (including, as applicable, audiotapes, videotapes, magnetic media, computer software and written materials) that we generally furnish to franchisees from time to time for use in operating an Alvita® Care Business. The Manual may be provided to you in electronic form and by any means of e-commerce we designate. The Manual will contain mandatory and suggested specifications, standards, operating procedures and rules (“**System Standards**”) that we prescribe from time to time for the operation of Alvita® Care Business Businesses and information relating to your other obligations under this Agreement and related agreements. You agree to follow the standards, specifications and operating procedures we establish periodically for the Alvita® Care Business System that are described in the Manual. You also must comply with all updates and amendments to the Alvita® Care Business System as described in newsletters or notices we distribute, including via computer systems. The Manual is our Confidential Information and subject to all of the restrictions contained herein regarding non-use and non-disclosure. The Manual may be modified, updated and revised from time to time to reflect changes in System Standards. You agree to keep your copy of the Manual current and in a secure location and maintained by secure means at the Office or in the Business. In the event of a dispute relating to the Manual’s contents, the master copy of the Manual we maintain at our principal office (or if via e-commerce, on our Computer System, as defined in Section 10.7 of this Agreement) will be controlling. You may not at any time copy, duplicate, record or otherwise reproduce any part of the Manual.

11.2 Compliance with System Standards. You acknowledge and agree that your advertising, operation and maintenance of the Alvita® Care Business in accordance with System Standards are essential to preserve our goodwill including, without limitation, the goodwill of the System, Marks, Copyrights and all Alvita® Care Business Businesses. Therefore, at all times during the Term, you agree to advertise, operate and maintain your Business in accordance with each and every System Standard, as we periodically modify and supplement them during the Term. At your sole cost and expense, you agree to follow, abide by and implement System Standards prescribed from time to time in the Manual or otherwise communicated to you in writing or other tangible form.

11.3 Modification of System Standards. We may periodically modify System Standards, which may accommodate regional or local variations as we determine, and any such modifications may obligate you to invest additional capital in Alvita® Care Business (“**Capital Modifications**”) and/or incur higher operating costs. You must make the Capital Modifications within the time frame we require. We require you to repair all equipment, construction elements, fixtures, and physical aspects of your Business as necessary to maintain a clean and professional appearance (“**Routine Maintenance**”) in accordance with the Manual and/or in the timeframe specified in a written notice from us. We also require you to replace obsolete equipment and purchase new technology, computer hardware and software and equipment (“**Upgrades**”) as required in the Manual or otherwise. Finally, we may require you to refresh the office to conform to new trade dress standards, including color schemes, signage, or visual elements (“**Trade Dress Updates**”). Capital Modifications that require

substantial physical modifications to your Business will not be required during the first 12 months immediately after the opening of your Business (these would encompass items like new or replacement flooring, interior décor, paint color, exterior signage, and/or furniture). We will notify you in writing before implementing Capital Modifications for Routine Maintenance, Upgrades or Trade Dress Updates. Notwithstanding the foregoing, Capital Modifications will not alter your fundamental status and rights under this Agreement. Capital Modifications are in addition to the costs you will incur to develop, open, repair, replace or refurbish your Business, equipment and fixtures from time to time and any expenditures you must, or choose to make, in order to comply with applicable laws, governmental rules or regulations (e.g., ADA compliance).

11.4 Interior and Exterior Upkeep. You must at all times maintain the Business' interior and exterior and the surrounding area in the highest degree of cleanliness, orderliness and sanitation and comply with the requirements regarding the Business established in the Manual and by federal, state and local laws.

11.5 Hours of Operation. You must operate your Business during the hours and on the days prescribed by us in the Manual or otherwise approved in advance in writing by us.

11.6 Mystery Shopper Service. We may designate an independent evaluation service to conduct a "mystery shopper" inspection program with respect to Alvita® Care Businesses. You agree that your Business will participate in such mystery shopper program, as prescribed and required by us, provided that Alvita® Care Businesses owned by us, our affiliates and our franchisees also will participate in such program to the extent we have the right to require such participation, and you further agree to pay all fees related to such mystery shopper program.

11.7 Computers. You must provide your own internet service provider, with access via DSL or other technology we designate, and you must utilize "back-up" systems meeting our System Standards. You must use in developing and operating your Alvita® Care Business, the electronic medical records system ("EMR"), the management information system, CRM system, benchmarking system, and HRIS system, point of sale system, computer equipment and operating and accounting software, and any other software (the "**Computer System**") that we may specify prior to attending initial training. We may require you to obtain specific computer hardware or software and may modify specifications for any components of the Computer System from time to time, as outlined in the Manual, and you agree to incur such costs in connection with obtaining the computer hardware and software comprising the Computer System (including, without limitation, any additions or modifications or service and support). The Computer System must be capable of connecting your Business' Computer System with our computer system so that we can review daily the results of your Business' operations. You must: (a) supply us with any and all codes, passwords, and information necessary to have access to your Computer System and not change any of them without first notifying us; and (b) not load or utilize any software on the Computer System that we have not specified or approved for use. You agree to comply with the terms of any "terms of use," "privacy policies," or "user rules" we may designate in our sole discretion relating to the Computer System and any website we designate.

11.8 Trade Accounts and Taxes. You must: (a) maintain your trade accounts in a current status; (b) seek to resolve any disputes with trade suppliers promptly; and (c) timely pay all taxes incurred in connection with your Business' operations. If you fail to comply with this Section, we may, in our sole discretion, 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 must reimburse us for such amounts upon demand. We may also set off the amount of any such reimbursement obligations against all amounts which we may owe you.

11.9 Proprietary Products. You must purchase from us, or approved manufacturers, or suppliers, all articles used in operating the Business and bearing any of the Marks. These items may include employee clothing, uniforms, stationery, forms, products and advertising materials (the "**Proprietary Products**"), at then-prevailing prices, plus freight, taxes and delivery costs.

11.10 Authorized Products and Services. To ensure the uniform quality and appearance across the Alvita® Care Business franchise network, you agree: (i) to offer all, and only, those goods services, products or other items that we require and that you are licensed to provide from time to time in our commercially reasonable judgment; (ii) not to offer any other goods services, products or other items at your Business that we have not approved without our prior written permission (or that you are not licensed to provide); and (iii) not to use your Business, nor permit your Business to be used, for any purpose other than offering the goods and services that we authorize. We may, without obligation to do so, add, modify or delete authorized goods and services, and you must do the same upon notice from us. Our addition, modification or deletion of one or more goods or services will not constitute a termination of this Agreement. You must immediately implement changes to the services, products or other items requested by us. We may negotiate group or volume purchasing arrangements with approved suppliers and you must participate in the arrangements. You must not, without our prior written consent, sell, dispense, give away or otherwise provide products or other items except by means of retail sales to patients at your Business, or a program of charitable giving. Throughout the Term, you must maintain an inventory of products and have the capacity to perform the services sufficient to meet the daily demands of your Business.

11.11 Personnel. You must hire, train, and supervise honest, reliable, competent and courteous employees for the operation of your Business and ensure that a sufficient number of trained employees are available to meet the operational standards and requirements of your Business at all times, in accordance with the specifications set forth in the Manual. All personnel must meet every requirement imposed by applicable law and those required by us as a condition to their employment. All persons you employ that have access to any of the Confidential Information must sign a confidentiality agreement in a form satisfactory to us. You must ensure that your employees perform their duties in compliance with the terms of the Manual and any other materials applicable to employees that we communicate to you and that your employees do not make or retain any copies of the Manual or any portion of the Manual. You must give your employees only the minimum amount of information and material from the Manual that is necessary to enable them to perform their assigned tasks. You must have such employee confidentiality agreement signed and sent to us before we grant you or your personnel access to Confidential Information. You are liable to us for any unauthorized disclosure of Confidential Information by any of your owners, directors, employees, representatives or agents or any other third party that obtains access to the Confidential Information due to your conduct. You must pay, and are solely responsible for, all wages, commissions, fringe benefits, worker's compensation premiums and payroll taxes (and other withholdings required by law) due for your employees. These employees will be employees of yours and not of ours. We do not control the day-to-day activities of your employees or the manner in which they perform their assigned tasks or the hiring or firing of your employees.

11.12 Corporate or Institutional Accounts. We reserve the right to develop relationships and accounts with a patient or a group of patients that operate under common ownership or control, through independent dealerships, affiliated entities, franchise systems, religious organizations, school systems, governmental units or some other association, for whom, or at whose locations we have arranged for Alvita® Care Business Businesses to provide the services, or special pricing structures at multiple locations or for which we have arranged to provide the services, or special pricing structures through your Business or through other Alvita® Care Business (each, an "Institutional Account") and subcontract services for those Institutional Accounts to you. You may decline to provide home health care services for Institutional Accounts but if you do so we may arrange to service them. Regardless of any contrary provision of this Agreement, you and we agree as follows:

(a) ***Territorial Rights.*** You agree that we or our designee may solicit your current or potential patients located in your Protected Area, whether or not you currently provide any products or services to them, in order to develop them as Institutional Accounts or for products or services we offer through e-commerce. This conduct shall not be a violation of any of your territorial rights as outlined in this Agreement.

(b) ***Best Efforts.*** If you decide to provide services for Institutional Accounts, and we grant you the right to do so, you must use your best efforts to perform services or sell the services we designate to or at the locations of Institutional Accounts located in your Protected Area on the terms and conditions

we specify for the program for those Institutional Accounts. These terms may vary from Institutional Account to Institutional Account depending on the situations and circumstances. We may require that you coordinate your efforts with other Alvita® Care Business Businesses in order to provide interrelated services to Institutional Accounts.

(c) ***Alternative Services.*** You recognize that some Institutional Accounts, for whatever reason, may decide that they do not want to do business with you. If that happens, we will cooperate with you to the fullest extent we deem practicable to resolve the Institutional Account's concerns. However, if after we exercise what we, in our sole discretion, believe to be efforts in the best interest of the System to rectify the problem, the Institutional Account continues to refuse to do business with you as a result of your failure to comply with our standards and specifications or lapses in your patient service, we may prohibit you from participating in all other, or such Institutional Account Programs as we may designate. You agree to indemnify us against all expenses we incur or monies we rebate to such Institutional Accounts if we are required to reimburse the Institutional Account or rebate to it any prepaid fees, or are required to make financial consideration to it for your failure to provide services to i.

(d) ***Terms and Conditions.*** You must honor the terms and conditions we specify and develop for Institutional Accounts, including the maximum pricing for products or services and any service schedules for any Institutional Account you service.

(e) ***Eligibility.*** Due to the need to ensure adherence to the System Standards in performing services for Institutional Accounts, you will not be eligible for assignment of Institutional Accounts unless you are in full compliance with this Agreement

11.13 Affiliation Development. You agree to cooperate fully with us and to appear at all times, publicly and privately, in support of our development of relationships with, participation in or support of Institutional Accounts or other commercial, training, trade, marketing, educational, social or religious organizations which we designate (the "**Organizational Associates**"). You agree to participate in and support any events we designate for Institutional Accounts or other programs offered by Alvita® Care Business Businesses in connection with the activities of Organizational Associates and follow our rules and procedures for them.

11.14 Suppliers and Purchasing. You agree to purchase or lease all products, supplies, equipment, including, without limitation, the Computer System, services and other items specified in the Manual from time to time. If required by the Manual, you agree to purchase certain goods and services only from suppliers designated or approved by us (which may include, or be limited exclusively to, us or our affiliate). You acknowledge that our right to specify the suppliers that you may use is necessary and desirable so that we can control the uniformity and quality of goods and services used, sold or distributed in connection with the development, construction and ongoing operation of Alvita® Care Business Businesses, maintain the confidentiality of our trade secrets, obtain discounted prices for our franchisees if we choose to do so, and protect the reputation and goodwill associated with the System and the Marks. We may receive rebates, administrative fees, or other financial consideration from these suppliers for our services and specifications that are based upon franchisee purchases. If you want us to approve a supplier that you propose, you must send us a written notice specifying the supplier's name and qualifications and provide any additional information that we request. We will approve or reject your request within 60 days after we receive your notice and all additional information (and samples) that we require. We are deemed to have rejected your request if we fail to issue our approval within the 60-day period. We will charge a fee for evaluating alternative suppliers, products or services that may vary from time to time, plus the actual cost of travel and living expenses of our personnel as well as any fees we pay to third parties in furtherance of the evaluation. You must pay us these amounts within 10 days after we send you an invoice.

12. ADVERTISING & MARKETING

12.1 Establishment of Brand Marketing Fund. We have established a Brand Marketing Fund (the “**Brand Marketing Fund**”) for the creation and development of advertising and marketing materials to benefit the franchise network. Franchisees will contribute to the Brand Marketing Fund in the same proportion as those that executed the franchise agreement the same year as you, in an amount up to 2% of Gross Receipts. Our company/affiliate-owned businesses will contribute at an amount equal to the amount paid by the highest-volume franchised business. Currently, you must contribute 1% of Gross Receipts, payable in the same manner as the Royalty. We reserve the right to defer or reduce Brand Marketing Fund Contributions of an Alvita® Care Business franchisee and, upon 30 days’ prior written notice to you, to reduce or suspend Brand Marketing Fund to and operations of the Brand Marketing Fund for one or more periods of any length and to terminate (and, if terminated, to reinstate) the Brand Marketing Fund. The Brand Marketing Fund will remain intact until we terminate it, and we will provide you written notice of any such termination. If the Brand Marketing Fund is terminated, all unspent monies, less any outstanding accounts payable and other obligations, on the date of termination will be distributed to our franchisees in proportion to their respective Brand Marketing Fund Contributions to the Brand Marketing Fund during the preceding 24 Accounting Periods. Even though you pay Brand Marketing Fund Contributions to us, we or our designee, by operation of the Brand Marketing Fund, are not your agents and do not owe fiduciary duties or other duties to you arising out of our or our designee’s operation of the Brand Marketing Fund.

12.2 Use of the Funds. The Brand Marketing Fund will only be used to promote the Alvita® Care Business brand. We will direct all programs financed by the Brand Marketing Fund, including without limitation, the creative concepts, materials and endorsements, and the geographic, market and media placement and allocation. You agree that the Brand Marketing Fund may be used to pay the costs of, without limitations, preparing and producing video, audio and written advertising materials; administering regional and multi-regional advertising programs, including, without limitation, purchasing direct mail and other media advertising and employing advertising, promotion and marketing agencies; marketing and advertising training programs and materials; and supporting public relations, market research and other advertising, promotion and marketing activities. The Brand Marketing Fund will also be used to cover all or a portion of the compensation, administrative and overhead costs of our and our affiliate’s personnel that are directly engaged in consumer marketing activities or otherwise providing services to the Brand Marketing Fund. The Brand Marketing Fund periodically will 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.

12.3 Accounting for the Fund. The Brand Marketing Fund will be accounted for separately from our other funds. We will not derive any direct benefit from the Brand Marketing Fund. We may use the Brand Marketing Fund to pay the reasonable salaries, administrative costs, travel expenses and overhead, including rent and utilities, as we may incur in activities related to the development and administration of the Brand Marketing Fund and its programs, including, without limitation, conducting market research, product and service offering development, preparing advertising, promotion and marketing materials and collecting and accounting for contributions to the Brand Marketing Fund. All interest earned on monies contributed to the Brand Marketing Fund will be used to pay advertising costs before other assets of the Brand Marketing Fund are expended. We may accept contributions from franchisees, from company-owned Businesses, and from third party vendors; all contributions to the Brand Marketing Fund will be accounted for and subject to the same treatment. We may spend on behalf of the Brand Marketing Fund, in any fiscal year, an amount greater or less than the aggregate contribution of all Alvita® Care Business Businesses to the Brand Marketing Fund in that year. The Brand Marketing Fund may borrow from us or others to cover deficits or invest any surplus for future use. If we lend money to the Brand Marketing Fund, we may charge interest at an annual rate 1% greater than the rates we pay our lenders. We will prepare an annual statement of monies collected and costs incurred by the Brand Marketing Fund and furnish the statement to you upon written request. We have the right to cause the Brand Marketing Fund to be incorporated or operated through a separate entity at such time as we deem appropriate, and such successor entity will have all of the rights and duties specified in this Agreement.

12.4 Marketing Fund Limitations. You acknowledge that the Brand Marketing Fund is intended to maximize recognition of the Marks and patronage of Alvita® Care Business Businesses. Although we will endeavor to utilize the Brand Marketing Fund to develop advertising and marketing materials and programs and to place advertising that will benefit the franchise network, we undertake no obligation to ensure that expenditures by the Brand Marketing Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Brand Marketing Fund by Alvita® Care Businesses operating in that geographic area or that any Alvita® Care Business will benefit directly or in proportion to its contribution to the Brand Marketing Fund from the development of advertising and marketing materials or the placement of advertising. We assume no direct or indirect liability or obligation to you with respect to maintaining, directing, administering or collecting amounts due to the Brand Marketing Fund.

12.5 Local Advertising. You must spend the greater of 2% of Gross Receipts or \$1,000 per month on approved forms of local advertising and promotion for your Business (as measured by us over a certain period). You may spend more than the minimum required if you choose. We may require you to submit an advertising expenditure report accurately reflecting all local advertising expenditures for the prior fiscal year (or other measurement period specified by us in the Manual). If you fail to make the required minimum expenditures for local advertising and promotion, we may, at our option, require you to: (i) contribute the deficient amount to the Brand Marketing Fund; or (ii) reimburse us for amounts that we spend on your behalf to satisfy your local advertising obligation, plus our related expenses. You must submit an accounting of your local marketing expenditures on a quarterly basis (or such other period of time we determine). Your local marketing must be implemented in a format and using procedures, suppliers, materials and designs we have approved.

12.6 Initial Launch Program. Within 60 days of the Opening Date, you must conduct an initial launch program in your local market and spend at least \$3,000 to introduce your Business and increase brand recognition in your local market. You will create, and we must approve, the initial launch program, which will consist of a variety of public relations, marketing, and advertising initiatives to publicize the opening of your Alvita® Care Business. The amounts you spend on the initial launch program will not be credited against, and are in addition to, any other obligations pursuant to this Agreement. No later than the last day of each calendar month in which part of the initial launch program is conducted, you will provide us with a written report of all activities undertaken as part of the initial launch program (including, without limitation, an accounting for all expenditures and a description of all public relations and marketing activities). We may collect the amount for the initial launch program from you and implement the initial launch program on your behalf.

12.7 Standards for Advertising. All advertisements and promotions that you create or use must be completely factual and conform to the highest standards of ethical advertising and comply with all federal, state and local laws. You must ensure that your advertisements and promotional materials do not infringe upon the intellectual property rights of others. For uniformity and to ensure patients know of the Alvita® Care Business franchise network, you will include the locations and telephone numbers of other Businesses, whether franchised or owned by us or our affiliates, in any advertising for your Business, as outlined in the Manual from time to time. You will not be entitled to any compensation for doing so.

12.8 Approval of Advertising. To protect and maintain brand consistency, before you use any advertising, marketing or promotional materials that we did not prepare or previously approve, you must obtain our approval by submitting the materials you wish to use at least 14 days prior to the deadline for using the materials. If you do not receive our approval within 10 days after submission to us, then they will be deemed disapproved. You may not use any advertising or promotional materials that we have disapproved (including materials that we previously approved and later disapprove). If we subsequently disapprove advertising materials we had previously approved, you must immediately cease use of said material upon our provision of notice to you.

12.9 Internet and Websites. We have established and maintain an Internet website (the “**Website**”) that provides information about the Alvita® Care Business System and the services that we and our franchisees provide. We will include on the Website an interior page containing information about your Business. We may

modify the content of and/or discontinue the Website at any time in our sole discretion. We may require you to prepare all or a portion of the page, at your expense, using templates that we provide. All such information will be subject to our approval prior to posting. We reserve the right to charge you a reasonable fee for website development, hosting and/or search engine optimization services that we or our designee provide for the Website or any Internet website(s) that we maintain, or permit you to maintain, related to your Business. For uniformity and other reasons, you may not maintain a Website, conduct e-commerce, or otherwise maintain a presence or advertise on the Internet or any other public computer network in connection with your Business except as we approve in writing in advance. We may permit you to have a presence on several media networks, such as social groups or pages identifying your Business. You and your employees may interact with clients or friends on those social media networks in a manner that is consistent with the rules and policies of the applicable social media network and the Manual. If we change our policy at a later date to allow franchisees to maintain their own Websites or market on the Internet, you may do so only if you comply with all of the Website and Internet requirements that we specify in the Manual or otherwise. In that case, we may require that you sign an amendment to this Agreement that will govern your ability to maintain a website and/or market on the Internet.

13. INSURANCE AND INDEMNIFICATION

13.1 Insurance. For your protection and ours, you agree to maintain in full force and effect during the Term, at your expense, the following insurance policies (in addition to any insurance that may be required by applicable law, any lender, or any lessor): (a) comprehensive general liability insurance and personal injury coverage against claims for bodily or personal injury, death and property damage, and product liability, caused by or occurring in connection with the operation of your Business; (b) property/casualty insurance and public liability coverage for your Business and its contents; (c) professional liability and malpractice insurance (including Good Samaritan liability, malpractice liability, personal injury liability, sexual misconduct liability, and workplace liability and fire and water legal liability); (d) license protection insurance; (e) defendant expense benefit insurance; (f) deposition representation insurance; (g) assault insurance; (h) medical payments insurance; (i) first aid insurance; (j) information privacy insurance; (k) money and securities insurance; (l) owned and non-owned automobile liability insurance; (m) Worker's Compensation as required by state law; (n) business interruption insurance; and (o) any other insurance that we specify in the Manual or otherwise require from time to time or as required by your landlord. You agree to provide us with proof of coverage of the policies listed above on demand. You agree to obtain these insurance policies from insurance carriers that are rated A or better by Alfred M. Best & Company, Inc. and that are licensed and admitted in the state in which you operate your Business. All insurance policies must: (1) (except for worker's compensation insurance) name us (and our members, officers, directors, and employees) as additional insureds; (2) contain such types and minimum amounts of coverage, exclusions and maximum deductibles as we prescribe from time to time; (3) contain a waiver by the insurance carrier of all subrogation rights against us; (4) provide that we receive 10 days' prior written notice of the termination, expiration, cancellation or modification of the policy; and (5) include such other provisions as we may require from time to time. If any of your policies fail to meet the above criteria, then we may disapprove the policy and you must immediately find additional coverage with an alternative carrier satisfactory to us. Upon 10 days' notice to you, we may increase the minimum protection requirement as of the renewal date of any policy and require different or additional types of insurance at any time, including excess liability (umbrella) insurance, to reflect inflation, identification of special risks, changes in law or standards or liability, higher damage awards or other relevant changes in circumstances. If you fail to maintain any required insurance coverage, we have the right to obtain the coverage on your behalf (which right shall be at our option and in addition to our other rights and remedies in this Agreement), and you must promptly sign all applications and other forms and instruments required to obtain the insurance and pay to us, within 10 days after invoicing, all costs and premiums that we incur, plus reimbursement of our expenses in connection with obtaining the policies on your behalf.

13.2 Indemnity. You agree to indemnify the Indemnified Parties (defined below) and hold them harmless for, from and against any and all Losses and Expenses (defined below) incurred by any of them as a result of or in connection with any of the following Claims (defined below): (a) any Claim asserted against you and/or any of the Indemnified Parties arising from the marketing, use or operation of your Business or your performance and/or breach of any of your obligations under this Agreement; (b) any other Claim arising from

alleged violations of your relationship with and responsibility to us; or (c) any Claim relating to taxes or penalties assessed by any governmental entity against us that are directly related to your failure to pay or perform functions required of you under this Agreement. The Indemnified Parties shall have the right, in their sole discretion to: (i) retain counsel of their own choosing to represent them with respect to any Claim; and (ii) control the response thereto and the defense thereof, including the right to enter into an agreement to settle such Claim. You may participate in such defense at your own expense. You agree to give your full cooperation to the Indemnified Parties in assisting the Indemnified Parties with the defense of any such Claim, and to reimburse the Indemnified Parties for all of their costs and expenses in defending any such Claim, including court costs and reasonable attorneys' fees, within 10 days of the date of each invoice delivered by such Indemnified Party to you enumerating such costs, expenses and attorneys' fees. The terms "**Indemnified Party**" or "**Indemnified Parties**" means us and each of our past, present and future owners, members, officers, directors, employees and agents, as well as our parent companies, subsidiaries and affiliates, and each of their past, present and future owners, members, officers, directors, employees and agents. "**Claim**" or "**Claims**" means any and all claims, actions, demands, assessments, litigation, or other form of regulatory or adjudicatory procedures, claims, demands, assessments, investigations, or formal or informal inquiries. "**Losses and Expenses**" means all compensatory, exemplary, and punitive damages; fines and penalties; attorneys' fees; experts' fees; accountants' fees; court costs; costs associated with investigating and defending against Claims; settlement amounts; judgments; compensation for damages to our reputation and goodwill; and all other costs, damages, liabilities and expenses associated with any of the foregoing losses and expenses or incurred by an Indemnified Party as a result of a Claim.

13.3 Legal Compliance. You must secure and maintain in force all required Licenses for the operation of your Business and operate and manage your Business in full compliance with all applicable laws, ordinances, rules and regulations at all times during the Term. You must notify us in writing within 2 business days of the beginning of any action, suit, investigation or proceeding, or of the issuance of any order, writ, injunction, disciplinary action, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation of your Business or your financial condition. You must immediately deliver to us a copy of any inspection report, warning, certificate or rating by any governmental agency involving any health or safety law, rule or regulation that reflects your failure to fully comply with the law, rule or regulation.

14. RECORDS, REPORTS AND FINANCIAL STATEMENTS

14.1 Accounting System. You must obtain your accounting services and any required hardware or software related to them in accordance with policies, systems and sources that we designate. You must at all times maintain the records reasonably specified in the Manual, including, without limitation, sales, inventory and expense information, and must supply said information to us in accordance with the terms of this Agreement or otherwise.

(a) You must report Gross Receipts and other business information to us using the format, reporting system and accounting system (collectively, the "**Accounting System**") that we require from time to time. You must deliver to us the financial and operating reports in the form, manner, content and time we specify from time to time, including via access to the Accounting System. You will update all information in the Accounting System as often as we designate, which may be at least daily, including but not limited to revenues, expenditures and other pertinent data. We may periodically change the Accounting System and the suppliers of accounting services as outlined in the Manual.

(b) You will make available for our review and inspection during normal business hours all original books and records that we want to ascertain and verify financial statements or reports. You will maintain all of your books and records in accordance with generally accepted accounting principles. You will maintain and preserve such records during the entire Term and for 7 years following expiration or termination of this Agreement. Such records include deposit reports and receipts, cash receipts journal, general ledgers, cash disbursement journals, weekly payroll registers, monthly bank statements, supplier invoices (paid and unpaid), accounts payable journals, balance sheets, profit and loss statements, inventory records, records of wholesale accounts and such other records as we may require.

(c) We may use the information obtained as we deem appropriate, except that information you designate as confidential will not be disclosed to third parties in a manner that identifies you as the subject or source except: (i) with your permission, (ii) as may be required by law, (iii) in connection with audits or collections under this Agreement, or (iv) as otherwise shared within the Alvita® Care Business franchise system (you understand that we disseminate operational and financial data throughout the system and to prospects in the franchise disclosure document).

(d) We may require you to use approved computer hardware and software as part of the Computer System, and our designated accounting firm(s), in order to maintain the Accounting System and other communication processes. If we determine that you or your accounting firm are not maintaining your statements, records and reports on a satisfactory basis, or not timely providing reports to us, we may require you to utilize accounting firms and services that we designate, at your expense. We will only require you to use designated accounting service providers if we are not satisfied with your performance of your accounting and recordkeeping obligations, and we will only designate accounting service providers that demonstrate to our satisfaction that they are capable of assisting you to meet those requirements.

14.2 Reports. You agree to furnish to us with such forms that we prescribe from time to time as we require (via the Software or otherwise, as we determine):

(a) on the Report Day, a report on your Business' Gross Receipts during the preceding Accounting Period;

(b) within 20 days after the end of each month, a profit and loss statement for the Business for the immediately preceding Accounting Period and year-to-date and a balance sheet as of the end of such Accounting Period;

(c) no later than March 15 of every year, a statement of revenues, expenses and income (or loss) for the year, and a statement of assets and liabilities as of the end of the year, which statements must be prepared in accordance with generally accepted accounting methods. At our option we may require this statement to be prepared by an independent certified public accountant in accordance with the standards for a compilation or review;

(d) within 90 days after the end of the Business' fiscal year end, copies of all tax returns you file for the year as to the Business, including, without limitation, federal and state income tax returns; and

(e) copies of healthcare or other medical incident reports in accordance with our then-current policy.

We may, upon notice to you, designate other periods for reporting any information you must report to us.

14.3 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 as deem necessary and appropriate. We also have the right to require you to have reviewed or audited financial statements prepared on an annual basis if you have been late in making payments or sending us reports or we determine that you have understated Gross Receipts by over 2% twice or more during any 12-month period (in addition to any other rights we have under this Agreement). You will provide us copies of any reviewed or audited financial statements promptly after you receive them. Moreover, we have the right as often as we deem appropriate (including on a daily basis) to access all computer registers and other computer systems that you are required to maintain in connection with the operation of the Business and to retrieve all information relating to the Business' operations. At our request, you will promptly send us true and correct copies of all federal and state income, sales, excise and other tax returns.

15. INSPECTIONS AND AUDITS

15.1 Our Right to Inspect the Business. To determine whether you and the Alvita® Care 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, and without prior notice to you, to:

- (a) inspect the Business and any other aspect of or facility used by the Business (if any);
- (b) observe, photograph, audiotape and videotape the operations of the Business, its personnel and any other aspect of or facility used by the Business for such consecutive or intermittent periods as we deem necessary;
- (c) interview personnel and patients of the Business and engage in “mystery shopper” type programs;
- (d) inspect and copy any books, records, tax returns and documents relating to your operation of the Business; and
- (e) conduct regulatory pre-survey audits, including medical records, conducting home visits, staff interviews, and review of claims submitted, paid and declined.

You agree to cooperate with us fully in connection with any such inspections, observations, photographing, videotaping, product removal and interviews. You agree to present to your patients such evaluation forms that we periodically prescribe and to participate and/or request your patients to participate in any surveys performed by us or on our behalf. You must immediately correct or repair any unsatisfactory conditions we specify.

15.2 Our Right to Audit. We have the right at any time during your business hours, and without prior notice to you, to inspect and audit, or cause to be inspected and audited, your (if you are a Business Entity) and the Business’, bookkeeping and accounting records, sales and income tax records and returns and other records. You agree to cooperate fully with our representatives and independent accountants, auditors and/or reviewers we hire to conduct any such inspection or audit. You must immediately pay us any shortfall in the amounts you owe us (regardless of the degree), including late payment fees and interest. 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, lodging, living and compensation expenses of our employees, if:

- (a) 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;
- (b) our audit or inspection reveals that you understated Gross Receipts by over 2%; and/or
- (c) our audit reveals a default under this Agreement.

The foregoing remedies are in addition to our other remedies and rights under this Agreement and applicable law.

16. INTELLECTUAL PROPERTY

16.1 Ownership and Use of Intellectual Property. You acknowledge that: (a) we are the sole and exclusive licensor of the Intellectual Property and the goodwill associated with the Marks; (b) your right to use the Intellectual Property is derived solely from this Agreement; and (c) your right to use the Intellectual Property is limited to a license granted by us to operate your Business during the Term pursuant to, and only in compliance with, this Agreement, the Manual, and all applicable standards, specifications and operating procedures that we prescribe from time to time. You may not use any of the Intellectual Property in connection with the sale of any

unauthorized product or service or in any other manner not expressly authorized by us. Any unauthorized use of the Intellectual Property constitutes an infringement of our rights. You agree to comply with all provisions of the Manual governing your use of the Intellectual Property. This Agreement does not confer to you any goodwill, title or interest in any of the Intellectual Property.

16.2 Changes to Intellectual Property. The Intellectual Property may be modified at any time by us, including by changing the Marks, the System, the Copyrights or the Know-how. If we modify or discontinue use of any of the Intellectual Property, then you must comply with any such changes within the time period prescribed in our 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 expenditures you make to promote a modified or substitute trademark or service mark. You waive all other claims arising from or relating to any change, modification, substitution or discontinuation of the Intellectual Property. Except for the reimbursement obligation listed in this Section, we will not be liable to you for any expenses, losses or damages that you incur (including the loss of any goodwill associated with a Mark) because of any addition, modification, substitution or discontinuation of the Intellectual Property.

16.3 Use of Marks. You agree to use the Marks as the sole identification of your Business; provided, however that you must identify yourself as the independent owner of your Business in the manner that we prescribe. You may not use any Marks in any modified form or as part of any corporate or trade name or with any prefix, suffix, or other modifying words, terms, designs or symbols (other than logos licensed to you by this Agreement). You agree to: (a) prominently display the Marks on or in connection with any media advertising, promotional materials, posters and displays, receipts, stationery and forms that we designate and in the manner that we prescribe to give notice of trade and service mark registrations and copyrights; and (b) obtain any fictitious or assumed name registrations required under applicable law. You may not use the Marks in signing any contract, lease, mortgage, check, purchase agreement, negotiable instrument or other legal obligation or in any manner that is likely to confuse or result in liability to us for any indebtedness or obligation of yours. You may not use the Marks as a domain name or part of a domain name.

16.4 Use of Know-how. We will disclose the Know-how to you in the initial training program, the Manual, and in other guidance furnished to you during the Term. You agree that you will not acquire any interest in the Know-how other than the right to utilize it in strict accordance with the terms of this Agreement in the development and operation of your Business. You acknowledge that the Know-how is proprietary and is disclosed to you solely for use in the development and operation of your Business during the Term.

16.5 Improvements. If you conceive of or develop any improvements or additions to the services or products offered by, or the method of operation of, an Alvita® Care Business, or any advertising or promotional ideas related to such Business (collectively, “**Improvements**”), you agree to promptly and fully disclose the Improvements to us without disclosing the Improvements to others. You must obtain our approval prior to using any such Improvements. You acknowledge and agree that any Improvement that we approve may be used by us and any third parties that we authorize to operate an Alvita® Care Business franchise, without any obligation to pay you royalties or other fees. You must assign to us or our designee, without charge, all rights to any such Improvement, including the right to grant sublicenses. In return, we will authorize you to use any Improvements that we or other franchisees develop that we authorize for general use in connection with the operation of an Alvita® Care Business.

16.6 Notification of Infringements and Claims. You must immediately notify us of any: (a) apparent infringement of any of the Intellectual Property; (b) challenge to your use of any of the Intellectual Property; or (c) claim by any person of any rights in any of the Intellectual Property. You may not communicate with any person other than us and our counsel in connection with any such infringement, challenge or claim. We will have sole discretion to take such action as we deem appropriate. We have the right to exclusively control any litigation, Patent and Trademark Office proceeding, or other proceeding arising out of any such infringement, challenge or claim. You agree to execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of our counsel, be necessary or advisable to protect and maintain our interest in any

such litigation, Patent and Trademark Office proceeding or other proceeding, or to otherwise protect and maintain our interest in the Intellectual Property. We are not obligated to indemnify you against any damages for which you are held liable to third parties arising out of your use of any of the Marks, unless otherwise required by applicable state law.

17. TRANSFERS

17.1 By Us. This Agreement and the franchise is fully assignable by us (without prior notice to you) and inures to the benefit of any assignee(s) or other legal successor(s) to our interest in this Agreement, provided that we will, subsequent to any such assignment, remain liable for the performance of our obligations under this Agreement up to the effective date of the assignment. We may also delegate some or all of our obligations under this Agreement to one or more persons without assigning the Agreement.

17.2 By You. You understand that the rights and duties created by this Agreement are personal to you and the Owners and that we have granted the rights under this Agreement in reliance upon the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of you and your Owners. Therefore, neither you nor any Owner may engage in any Transfer other than a Permitted Transfer without our prior written approval. Any Transfer (other than a Permitted Transfer) without our approval will be void and constitute a breach of this Agreement. “**Transfer**” means any direct or indirect, voluntary or involuntary (including by judicial award, order or decree), assignment, sale, conveyance, subdivision, sublicense or other transfer or disposition of the franchise (or any interest therein), the Business (or any portion thereof) or an ownership interest in a Business Entity that is the franchisee, including by merger or consolidation, by issuance of additional securities representing an ownership interest in the Business Entity that is the franchisee, or by operation of law, will or a trust upon the death of an owner (including the laws of intestate succession). We will not unreasonably withhold our approval of any proposed Transfer, provided that the following conditions are all satisfied:

(a) the proposed transferee is, in our opinion, an individual of good moral character, who has sufficient business experience, aptitude and financial resources to own and operate an Alvita® Care Business and otherwise meets all of our then-applicable standards for our franchisees;

(b) you and your Owners are in full compliance with the terms of this Agreement and all other agreements with us or our affiliate, including having paid all Royalties and other amounts owed for purchases from us and all other amounts owed to us or third party credits and have submitted all required reports and statements;

(c) all of the owners of the transferee have successfully completed, or made arrangements to attend, the initial training program (and the transferee has paid us the Training Fee for each new person who must attend training);

(d) your landlord consents to your assignment of the lease to the transferee, or the transferee is diligently pursuing an approved substitute location and locates and gains our approval of the site prior to us granting formal approval;

(e) the transferee and its owners, to the extent necessary, have obtained all licenses and permits required by applicable law in order to own and operate the Business;

(f) the transferee and its owners agree to be bound by all terms and conditions of this Agreement and agree to sign our then-current form of franchise agreement (unless we, in our sole discretion, instruct you to assign this Agreement to the transferee), except that: (1) the Term and renewal term(s) will be the Term and renewal term(s) remaining under this Agreement; and (2) we will not charge the transferee a separate initial franchise fee;

(g) you or the transferee remodel your Business to comply with our then-current standards and specifications or you obtain a commitment from the transferee to do so;

(h) you or the transferee pay us a transfer fee (the “**Transfer Fee**”) equal to (i) 75% of our then-current initial franchise fee if the Transfer is to someone who is not already a franchisee of ours (\$5,000 of which must be paid at the time you announce your intent to transfer); (ii) 50% of our then-current initial franchise fee (\$5,000 of which must be paid at the time you announce your intent to transfer) if the Transfer is to an existing franchisee of ours; or (iii) \$1,500 if the Transfer is a Permitted Transfer;

(i) you and your owners sign a General Release for all claims arising before or contemporaneously with the Transfer and our form of termination and release agreement whereby each of you and your owners have agreed to be bound by the post-termination restrictions contained in this Agreement;

(j) 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 Business;

(k) you enter into an agreement with us to subordinate the transferee’s obligations to you to the transferee’s financial obligations owed to us pursuant to the franchise agreement;

(l) you and your owners have agreed that you and they will not directly or indirectly at any time or in any manner (except with respect to other Alvita® Care Business you own and operate) identify yourself or themselves or any business as a current or former Alvita® Care Business, or as one of our licensees or franchisees, use any Mark, any colorable imitation of a Mark, or other indicia of an Alvita® Care Business Businesses 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;

(m) we do not elect to exercise our right of first refusal; and

(n) you or the transferring owner, as applicable, and the transferee have satisfied any other conditions we reasonably require as a condition to our approval of the Transfer.

Our consent to a Transfer does not constitute a waiver of any claims we may have against the transferor, nor will it be deemed a waiver of our right to demand exact compliance with any of the terms or conditions of the franchise by the transferee.

17.3 Permitted Transfers. You may engage in a Permitted Transfer without our prior approval, but you must give us at least 30 days’ prior written notice and pay us a transfer fee equal to \$1,500. You and the Owners (and the transferee) agree to sign all documents that we reasonably request to effectuate and document the Permitted Transfer. “**Permitted Transfer**” means: (a) a transfer from one owner who is not the Operating Principal to another existing owner of a Business Entity; (b) a transfer of interests in the Business Entity that is the Franchisee hereunder that does not result in a change of control; and/or (c) a transfer to a newly established Business Entity for which the owners that originally signed this Agreement collectively own and control 100% of the ownership interests and voting power, respectively.

17.4 Death or Disability of an Owner. Upon the death or Permanent Disability of an owner, the owner’s ownership interest in you or the franchise, as applicable, must be assigned to another Owner or to a third party approved by us within 60 days. Any assignment to a third party will be subject to all of the terms and conditions of this Agreement unless the assignment qualifies as a Permitted Transfer. For purposes of this Section, an owner is deemed to have a “**Permanent Disability**” only if the person has a medical or mental problem that prevents the person from substantially complying with his or her obligations under this Agreement or otherwise

operating the Business in the manner required by this Agreement and the Manual for a continuous period of at least 2 months.

17.5 Our Right of First Refusal. If you or an owner desire to engage in a Transfer, you or the owner, as applicable, must obtain a bona fide, signed written offer from the fully disclosed purchaser and submit an exact copy of the offer to us. We will have 30 days after receipt of the offer to decide whether we will purchase the interest in your Business or the ownership interest in you for the same price and upon the same terms contained in the offer (however, we may substitute cash for any form of payment proposed in the offer). If we notify you that we intend to purchase the interest within the 30-day period, you or the owner, as applicable, must sell the interest to us. We will have at least an additional 30 days to prepare for closing. We will be entitled to receive from you or the owner, as applicable, all customary representations and warranties given by you as the seller of the assets or the owner as the seller of the ownership interest or, at our election, the representations and warranties contained in the offer. If we do not exercise our right of first refusal, you or the owner, as applicable, may complete the Transfer to the purchaser pursuant to and on the terms of the offer, subject to the requirements of this Agreement (including our approval of the transferee). However, if the sale to the purchaser is not completed within 120 days after delivery of the offer to us, or there is a material change in the terms of the sale, we will again have the right of first refusal specified in this Section. Our right of first refusal in this Section shall not apply to any Permitted Transfer.

18. TERMINATION

18.1 By You. You may terminate this Agreement if we materially breach this Agreement and fail to cure the breach within 60 days after you send us a written notice specifying the nature of the breach. If you terminate this Agreement, you must still comply with your post-termination obligations and all other obligations that survive the expiration or termination of this Agreement.

18.2 By Us. We may, in our sole discretion, terminate this Agreement upon written notice, with or without the opportunity to cure (as applicable as outlined below), for any of the following reasons, all of which constitute events of default under this Agreement:

- (a) any License is suspended or revoked by the applicable regulatory authority in your state or the federal government;
- (b) if you or your manager fails to satisfactorily complete the initial training program;
- (c) if you or your personnel fail to satisfactorily complete annual mandatory refresher training;
- (d) if you fail to obtain our approval of your Business Office within 45 days after the Effective Date;
- (e) if you fail to secure a fully executed lease within 45 days after the Effective Date;
- (f) if you fail to open your Business or obtain an approved location within the applicable time period outlined in this Agreement;
- (g) if you fail to comply with any System Standard;
- (h) if you become insolvent or unable to pay your debts as they become due or you file a voluntary petition in bankruptcy or any pleading seeking any reorganization, liquidation, dissolution or composition or other settlement with creditors under any law, or are the subject of an involuntary bankruptcy (which may or may not be enforceable under the Bankruptcy Act of 1978, as amended);

(i) if your Business, or a substantial portion of the assets associated with your Business, are seized, taken over or foreclosed by a government official in the exercise of his or her duties, or seized, taken over or foreclosed by a creditor, lien holder or lessor; or a final judgment against you remains unsatisfied for 30 days (unless a supersedes or other appeal bond has been filed); or a levy of execution has been made upon the license granted by this Agreement or upon any property used in your Business, and it is not discharged within 10 days of the levy;

(j) if you abandon or fail to operate your Business for 5 consecutive days, unless the failure is due to an event of force majeure or another reason that we approve;

(k) if you or an owner (i) is convicted of or pleads no contest to a felony, a crime involving moral turpitude or any other material crime or (ii) is subject to any material administrative disciplinary action or (iii) fails to comply with any material federal, state or local law or regulation applicable to your Business;

(l) if you or an owner commits an act that can reasonably be expected to adversely affect the reputation of the System or the goodwill associated with the Marks;

(m) if you manage or operate your Business in a manner that presents a health or safety hazard to your patients, employees or the public;

(n) if you or an owner make any material misrepresentation to us, either before or after being granted the franchise under this Agreement;

(o) if you fail to pay any amount owed to us or an affiliate of ours under this Agreement or any other agreement or promissory note within 10 days after receipt of a demand for payment;

(p) if you incur 3 Late Payment Fees in any consecutive 12-month period;

(q) if you or an owner attempt to, or makes, an unauthorized Transfer;

(r) if you or an owner makes an unauthorized use of the Intellectual Property;

(s) if you or an owner breach any of the restrictive covenants;

(t) if you fail to deliver to us executed copies of confidentiality agreements or non-competition agreements required by the terms of this Agreement;

(u) if the lease for your Business Office is terminated due to your default;

(v) if we terminate any other agreement between you and us or if any affiliate of ours terminates any agreement between you and the affiliate because of your default; or

(w) you fail to timely pay amounts due or submit required reports on 3 or more occasions within a consecutive 12-month period; or

(x) you receive 3 written notices of default in any consecutive 12-month period, whether or not those defaults are cured.

18.3 Additional Conditions of Termination. In addition to our termination rights described above, we may, in our sole discretion, terminate this Agreement upon 30 days' written notice if you or an Owner fail to comply with any other provision of this Agreement (including any mandatory provision in the Manual) or any other agreement with us, unless such default is cured, as determined by us in our sole discretion, within such 30-

day notice period. If we deliver a notice of default to you, we may suspend performance of any of our obligations under this Agreement until you fully cure the breach.

18.4 Mutual Agreement to Terminate. If you and we mutually agree in writing to terminate this Agreement, you and we will be deemed to have waived any required notice period.

19. POST-TERM OBLIGATIONS

19.1 Obligations of You and the Owner. After the termination, expiration or Transfer of this Agreement, you and the owners agree to:

(a) immediately cease to use the Intellectual Property and any confidential information and return all copies of any confidential materials that we have loaned to you;

(b) comply with all covenants described in this Agreement that apply after the expiration, termination or Transfer of this Agreement or the disposal of an ownership interest by an Owner;

(c) return all copies of the Manual, or any portions thereof, as well as all signs, sign faces, brochures, advertising and promotional materials, forms, and any other materials bearing or containing any of the Marks, Copyrights or other identification relating to an Alvita® Care Business, unless we allow you to transfer such items to an approved transferee;

(d) return all copies of the Software (and delete all such software from your Computer System, computer memory and storage);

(e) take such action as may be required to cancel all fictitious or assumed names or equivalent registrations relating to your use of any of the Marks;

(f) provide us with a list of all of your current, former and prospective clients subject to your and our compliance with HIPAA or other applicable law relating to the confidentiality of patient records;

(g) assign all client contracts to us (unless we allow you to transfer those contracts to an approved transferee) and/or promptly refund client pre-payments, as directed by us;

(h) make such modifications and alterations to the Business Office that are necessary or that we require to prevent any association between us or the System and any business subsequently operated by you or any third party at the Business Office; provided, however, that this subsection will not apply if the right to operate the Business is transferred to an approved transferee or if we exercise our right to purchase your entire Business;

(i) notify all telephone companies, listing agencies and domain name registration companies (collectively, the “**Agencies**”) of the termination or expiration of your right to use: (i) the telephone numbers and/or domain names and passwords, if applicable, related to the operation of your Business; and (ii) any regular, classified or other telephone directory listings associated with the Marks (you hereby authorize the Agencies to transfer such telephone numbers, domain names and listings to us and you authorize us, and appoint us and any officer we designate as your attorney-in-fact to direct the Agencies to transfer the telephone numbers, domain names and listings to us if you fail or refuse to do so); and

(j) provide us with satisfactory evidence of your compliance with the above obligations within 30 days after the effective date of the termination, expiration or Transfer of this Agreement.

19.2 Liquidated Damages. If we terminate this Agreement, then you will pay us liquidated damages no later than 15 days after the date of termination. The amount of liquidated damages will be equal to the product of 24 times the greater of the (a) average monthly Royalty paid to us during the lesser of: (i) the 12 months

preceding the effective date of termination, or (ii) the number of months of operations if less than 12; or (b) average monthly Royalty owed to us during the lesser of: (i) the 12 months preceding the effective date of termination, or (ii) the number of months of operations if less than 12.

20. RESTRICTIVE COVENANTS

20.1 Reason for Covenants. You acknowledge that the Intellectual Property and the training and assistance that we provide would not be acquired except through implementation of this Agreement. You also acknowledge that competition by you, the owners or persons associated with you or the Owners (including family members) could seriously jeopardize the entire franchise system because you and the Owners have received an advantage through knowledge of our day-to-day operations and Know-how related to the System. Accordingly, you and the Owners agree to comply with the covenants described in this Section to protect the Intellectual Property and our franchise system.

20.2 Our Know-How. You and the owners agree: (a) neither you nor any owner will use the Know-how in any business or capacity other than the operation of your Business pursuant to this Agreement; (b) you and the owners will maintain the confidentiality of the Know-how at all times; (c) neither you nor any Owner will make unauthorized copies of documents containing any Know-how; (d) you and the owners will take all reasonable steps that we require from time to time to prevent unauthorized use or disclosure of the Know-how; and (e) you and the owners will stop using the Know-how immediately upon the expiration, termination or Transfer of this Agreement and return all copies of any Know-how to us, and any owner who ceases to be an owner before the expiration, termination or Transfer of this Agreement will stop using the Know-how immediately at the time he or she ceases to be an Owner and return all copies of any Know-how to us.

20.3 Unfair Competition During Term. You and your Owners agree not to unfairly compete with us during the Term by engaging in any of the following activities (“**Prohibited Activities**”): (a) acquiring or developing, or having any direct or indirect interest as a disclosed or beneficial owner in, any Competitive Business, other than owning an interest of less than 5% in a Competitive Business that is a publicly traded company; (b) offering or performing medical or home healthcare services (other than through Alvita® Care Business Business); (c) being employed or engaged as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business; (d) diverting or attempting to divert any business from us (or one of our affiliates or franchisees) to a Competitive Business; or (e) inducing any client of ours (or of one of our affiliates or franchisees) to transfer their business to any person that is not then a franchisee of ours. “**Competitive Business**” means any business or facility owning, operating or managing, or granting franchises or licenses to others to do so, any business or establishment that performs that performs home healthcare services by licensed professionals or companion care services and that are the same or similar to, or competitive with, home healthcare services offered by Alvita® Care Business Businesses.

20.4 Unfair Competition After Term. During the 2-year period immediately after the termination, expiration or Transfer of this Agreement (the “**Post-Term Restricted Period**”), you and your owners agree not to engage in any Prohibited Activities (i) within the Protected Area; (ii) any geographic territory that has been assigned to any other Alvita® Care Business Businesses whether operated by other franchisees or us; or (iii) within 25 miles of any other Alvita® Care Business Businesses whether operated by other franchisees or us. If you or an owner engages in a Prohibited Activity during the Post-Term Restricted Period (other than having an interest in a Competitive Business that is permitted under this Section), then the Post-Term Restricted Period applicable to you or the non-compliant owner, as applicable, will be extended by the period of time during which you or the non-compliant owner, as applicable, engaged in the Prohibited Activity. If you have fully complied with this Agreement during the Term, you may, at your option, upon expiration (but not termination) of this Agreement (provided you do not enter into a successor franchise agreement), pay us an amount equal to the Business’ aggregate Royalty fees for the trailing 24 month period preceding the date of expiration, in which case the post-term non-competition covenants in this Section will not apply and will be waived.

20.5 Immediate Family Members. The owners acknowledge that they could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). The owners also acknowledge that it would be difficult for us to prove whether the Owners disclosed the Know-how to family members. Therefore, each owner agrees that he or she will be presumed to have violated the terms of Agreement if any member of his or her immediate family engages in any Prohibited Activities during the Term or Post-Term Restricted Period or uses or discloses the Know-how. However, the owner may rebut this presumption by furnishing evidence conclusively showing that the owner did not disclose the Know-how to the family member.

20.6 Employees and Others Associated with You. You must ensure that all of your employees, officers, directors, partners, independent contractors and other persons associated with you or your Business who may have access to our Know-how, and who are not required to sign a noncompetition agreement, sign and send us a confidentiality agreement before having access to our Know-how. You must use your best efforts to ensure that these individuals comply with the terms of the confidentiality agreement and you must immediately notify us of any breach that comes to your attention and shall be liable for any breach thereof by said individual. You agree to reimburse us for all reasonable expenses that we incur in enforcing the Confidentiality & Noncompetition Agreement, including reasonable attorneys' fees and court costs.

20.7 Covenants Reasonable. You and the owners acknowledge and agree that: (a) the terms of this Agreement are reasonable both in time and in scope of geographic area; (b) our use and enforcement of covenants similar to those described above with respect to other Alvita® Care Business franchisees benefits you and the owners in that it prevents others from unfairly competing with your Business; and (c) you and the Owners have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. You and the owners hereby waive any right to challenge the terms of this Section as being overly broad, unreasonable or otherwise unenforceable.

20.8 Breach of Covenants. You and the owners agree that failure to comply with the terms of this Section will cause substantial and irreparable damage to us and/or other Alvita® Care Business franchisees for which there is no adequate remedy at law. Therefore, you and the Owners agree that any violation of the terms of this Section will entitle us to injunctive relief. We may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$25,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Any claim, defense or cause of action that you or an Owner may have against us, regardless of cause or origin, cannot be used as a defense against our enforcement of this Section. If, you or an Owner engages in a Prohibited Activity during the Term or Post-Term Restricted Period, and specific performance or injunctive relief is not available under applicable law, you agree that, at a minimum, we will be entitled to liquidated damages in an amount equal to your Business' aggregate Royalty fees for the trailing 12 month period preceding the date of the violation (if the breach occurs during the Term) or the date of termination, expiration or Transfer of this Agreement (if the breach occurs during the Post-Term Restricted Period), if actual damages cannot be reasonably determined. If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable by reducing any part or all of it, you and we agree that such covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

21. DISPUTE RESOLUTION

21.1 Agreement to Arbitration. Except for Disputes (as defined below) related to or based on the Marks (which at our sole option may be submitted to any court of competent jurisdiction) and except as otherwise

expressly provided by this Agreement, any litigation, claim, dispute, suit, action, controversy, proceeding or otherwise (“**Dispute**”) between or involving you and us (and/or involving you and/or any claim against or involving any of your or our affiliates, shareholders, directors, partners, officers, employees, agents, attorneys, accountants, affiliates, guarantors or otherwise) and/or between or involving you, which are not resolved within 45 days of notice from either you or we to the other will be submitted to arbitration to the office of the American Arbitration Association closest to our headquarters (currently in New York, New York). The arbitration will be conducted by the American Arbitration Association pursuant to its commercial arbitration rules. All matters relating to arbitration will be governed by the federal arbitration act (9 U.S.C. §§1 et seq.) and not by any state arbitration law. The parties to any arbitration will execute an appropriate confidentiality agreement, excepting only such disclosures and filings as are required by law.

21.2 Place and Procedure. The arbitration proceedings will be conducted at our headquarters. Any dispute and any arbitration will be conducted and resolved on an individual basis only and not a class-wide, multiple plaintiff or similar basis. Any such arbitration proceeding will not be consolidated with any other arbitration proceeding involving any other person, except for disputes involving affiliates of the parties to such arbitration. The parties agree that, in connection with any such arbitration proceeding, each must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the dispute to which it relates. Any such dispute which is not submitted or filed in such proceeding will be barred.

21.3 Awards and Decisions. The proceedings will be heard by 1 arbitrator. The arbitrator will have the right to award any relief which they deem proper in the circumstances, including, for example, money damages (with interest on unpaid amounts from their due date(s)), specific performance, temporary and/or permanent injunctive relief, and reimbursement of attorneys’ fees and related costs to the prevailing party. The arbitrator will not have the authority to award exemplary or punitive damages except as otherwise permitted by this Agreement, nor the right to declare any Mark generic or otherwise invalid. You and we agree to be bound by the provisions of any limitations or the time on which claims must be brought under applicable law or under this Agreement, whichever expires earlier. The award and decision of the arbitrator will be conclusive and binding and judgment on the award may be entered in any court of competent jurisdiction. The parties acknowledge and agree that any arbitration award may be enforced against either or both of them in a court of competent jurisdiction and each waives any right to contest the validity or enforceability of such award. Without limiting the foregoing, the parties will be entitled in any such arbitration proceeding to the entry of an order by a court of competent jurisdiction pursuant to an opinion of the arbitrators for specific performance of any of the requirements of this Agreement. Judgment upon an arbitration award may be entered in any court having jurisdiction and will be binding, final and non-appealable.

21.4 Dispute Resolution Program. Without limiting any of the foregoing, you and your owners acknowledge that we have the right, at any time, to create specific procedures to resolve disagreements within the franchise network (a “**Dispute Resolution Program**”~~Error! Bookmark not defined.~~) and related specifications, standards, procedures, and rules for the implementation thereof to be administered by us or our designees for the benefit of all franchisees conducting business under the System. The standards, specifications, procedures, and rules for any such dispute resolution program will be made part of the manual, and franchisees and their owners will comply with all of those standards, specifications, procedures, and rules in seeking resolution of any Disputes with or involving us or other franchisees, if applicable. If we make a Dispute Resolution Program mandatory, then we, you and your owners hereby agree to submit any Disputes arising out of or relating to this Agreement (and attachments) or the relationship created by this Agreement for resolution in accordance with that Dispute Resolution Program before seeking resolution of Disputes in any other manner. If the Dispute relates to another franchisee, franchisees and their owners agree to participate in the program and submit any Disputes in accordance with the Program’s standards, specifications, procedures, and rules, before seeking resolution of the Dispute by any other judicial or legally available means.

21.5 Specific Performance. Nothing in this Agreement will prevent either you or us from obtaining temporary restraining orders and temporary or preliminary injunctive relief in a court of competent jurisdiction. However, you and we must contemporaneously submit the dispute for arbitration on the merits.

21.6 Third Parties. The arbitration provisions of this Agreement are intended to benefit and bind certain third party non-signatories, and all of your and our owners and affiliates.

21.7 Survival. This Section continues in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement for any reason.

22. GENERAL PROVISIONS

22.1 Governing Law. Except as governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051, et seq.), this Agreement and the franchise relationship shall be governed by the laws of the State of Delaware (without reference to its principles of conflicts of law), but any law of the State of Delaware that regulates the offer and sale of franchises or business opportunities or governs the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section. All matters relating to arbitration are governed by the Federal Arbitration Act.

22.2 Jurisdiction. You and we consent and irrevocably submit to the jurisdiction and venue of any state or federal court of competent jurisdiction located in the county in which our principal business office is located and waive any objection to the jurisdiction and venue of such courts. The exclusive choice of jurisdiction does not preclude the bringing of any action by the parties or the enforcement by the parties in any judgment obtained in any such jurisdiction, in any other appropriate jurisdiction or the right of the parties to confirm or enforce any arbitration award in any appropriate jurisdiction.

22.3 Relationship of the Parties. You understand and agree that nothing in this Agreement creates a fiduciary relationship between you and us or is intended to make either party a general or special agent, legal representative, subsidiary, joint venture, partner, employee or servant of the other for any purpose. During the Term, you must conspicuously identify yourself at your base of operations, and in all dealings with third parties, as a franchisee of ours and the independent owner of your Business. You agree to place such other notices of independent ownership on such forms, stationery, advertising, business cards and other materials as we may require from time to time. Neither we nor you are permitted to make any express or implied agreement, warranty or representation, or incur any debt, in the name of or on behalf of the other or represent that our relationship is other than franchisor and franchisee. In addition, neither we nor you will be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized by this Agreement.

22.4 Severability and Substitution. Each section, subsection, term and provision of this Agreement, and any portion thereof, shall be considered severable. If any applicable and binding law imposes mandatory, non-waivable terms or conditions that conflict with a provision of this Agreement, the terms or conditions required by such law shall govern to the extent of the inconsistency and supersede the conflicting provision of this Agreement. If a court concludes that any promise or covenant in this Agreement is unreasonable and unenforceable: (a) the court may modify such promise or covenant to the minimum extent necessary to make such promise or covenant enforceable; or (b) we may unilaterally modify such promise or covenant to the minimum extent necessary to make such promise or covenant enforceable. In addition, this Agreement will be deemed automatically modified to comply with applicable law if such governing law requires: (c) a greater prior notice of the termination of or refusal to renew this Agreement; (d) the taking of some other action not described in this Agreement; or (e) if any System Standard is invalid or unenforceable. We may modify such invalid or unenforceable provision to the extent required to be valid and enforceable. In such event, you will be bound by the modified provisions.

22.5 Waivers. You and we may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other. Any waiver granted by us shall be without prejudice to any other rights we may have

and must be in writing. We and you shall not be deemed to have waived or impaired any right, power or option reserved by this Agreement (including the right to demand exact compliance with every term, condition and covenant in this Agreement or to declare any breach of this Agreement to be a default and to terminate the franchise before the expiration of its term) by virtue of: (a) any custom or practice of the parties at variance with the terms of this Agreement; (b) any failure, refusal or neglect of us or you to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations under this Agreement, including any mandatory specification, standard, or operating procedure; (c) any waiver, forbearance, delay, failure or omission by us to exercise any right, power or option, whether of the same, similar or different nature, relating to other franchisees; or (d) the acceptance by us of any payments due from you after breach of this Agreement.

22.6 Approvals. Whenever this Agreement requires our approval, you must make a timely written request for approval, and the approval must be in writing in order to bind us. Except as otherwise expressly provided in this Agreement, if we fail to approve any request for approval within the required period of time, we shall be deemed to have disapproved your request. If we deny approval and you seek legal redress for the denial, the only relief to which you may be entitled is to acquire our approval. You are not entitled to any other relief or damages for our denial of approval.

22.7 Force Majeure. Neither we nor you will be liable for loss or damage or deemed to be in breach of this Agreement if our or your failure to perform our or your obligations results from any event of force majeure. Any delay resulting from an event of force majeure will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable under the circumstances.

22.8 Binding Effect. This Agreement is binding upon the parties to this Agreement and their respective executors, administrators, heirs, assigns and successors in interest. 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 to this Agreement; provided, however, that any additional insureds and the Indemnified Parties are intended third party beneficiaries under this Agreement.

22.9 Integration. This Agreement constitutes the entire agreement between the parties and may not, be changed except by a written document signed by both parties. Any e-mail correspondence or other form of informal electronic communication shall not be deemed to modify this Agreement unless such communication is signed by both parties and specifically states that it is intended to modify this Agreement. The exhibit(s) are part of this Agreement, which, together with any amendments or addenda executed on the Effective Date, constitutes the entire understanding and agreement of the parties, and there are no other oral or written understandings or agreements between us and you about the subject matter of this Agreement. Any representations not specifically contained in this Agreement made before entering into this Agreement do not survive after the signing of this Agreement. This provision is intended to define the nature and extent of the parties' mutual contractual intent, there being no mutual intent to enter into contract relations, whether by agreement or by implication, other than as set forth above. The parties acknowledge that these limitations are intended to achieve the highest possible degree of certainty in the definition of the contract being formed, in recognition of the fact that uncertainty creates economic risks for both parties which, if not addressed as provided in this Agreement, would affect the economic terms of this bargain. Nothing in this Agreement is intended to disclaim any of the representations we made in the Franchise Disclosure Document.

22.10 Covenant of Good Faith. If applicable law implies a covenant of good faith and fair dealing in this Agreement, the parties agree that the covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. Additionally, if applicable law shall imply the covenant, you agree that: (a) this Agreement (and the relationship of the parties that is inherent in this Agreement) grants us the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with our explicit rights and obligations under this Agreement that may affect favorably or adversely your interests; (b) we will use our judgment in exercising the discretion based on our assessment of our own interests and balancing those interests against the interests of our franchisees generally (including ourselves and our affiliates if applicable), and specifically without considering your individual interests or the individual interests of any other particular

franchisee; (c) we will have no liability to you for the exercise of our discretion in this manner, so long as the discretion is not exercised in bad faith; and (d) in the absence of bad faith, no trier of fact in any arbitration or litigation shall substitute its judgment for our judgment so exercised.

22.11 Rights of Parties are Cumulative. The rights of the parties under this Agreement are cumulative and no exercise or enforcement by either party of any right or remedy under this Agreement will preclude any other right or remedy available under this Agreement or by law.

22.12 Survival. All provisions that expressly or by their nature survive the termination, expiration or Transfer of this Agreement (or the Transfer of an ownership interest in the franchise) continue in full force and effect subsequent to and notwithstanding its termination, expiration or Transfer and until they are satisfied in full or by their nature expire.

22.13 Construction. The headings in this Agreement are for convenience only and do not define, limit or construe the contents of the sections or subsections. All references to Sections refer to the Sections contained in this Agreement unless otherwise specified. All references to days in this Agreement refer to calendar days unless otherwise specified. The term “you” as used in this Agreement is applicable to one or more persons or a Business Entity, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine and the possessive.

22.14 Time of Essence. Time is of the essence in this Agreement.

22.15 Counterparts. This Agreement may be signed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document. Facsimile signatures will have the same force and effect as original signatures.

22.16 Notice. All notices and reports permitted or required under this Agreement or by the Manual must be in writing and will be deemed delivered:

- (a) at the time delivered by hand;
- (b) 1 business day after transmission by facsimile, e-mail or other electronic system;
- (c) 2 business days after being placed in the hands of a commercial airborne courier service for next business day delivery; or
- (d) 3 business days after placement in the United States mail by registered or certified mail, return receipt requested, postage prepaid.

Delivery by facsimile, e-mail and electronic means constitutes a writing and does not require designation of a physical address (as otherwise stated below). All such notices must otherwise be addressed to the parties as follows:

YOU: _____

Attention: _____

US: Alvita Care Franchise, LLC
231 W. 29th St. #400
New York, NY 10001
Attention: Tracy Ongena, CEO

Either party may change the address for delivery of 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 due date will be deemed delinquent.

The parties to this Agreement have executed this Agreement effective as of the Effective Date first above written.

FRANCHISOR:

Alvita Care Franchise, LLC
a Delaware limited liability company

By: _____
Print Name: _____
Title: _____
Date: _____

FRANCHISEE:

[Business Entity Name]

By: _____
Print Name: _____
Title: _____
Date: _____

(If Individual(s)):

Sign: _____
Print Name: _____
Date: _____

Sign: _____
Print Name: _____
Date: _____

EXHIBIT A

TO THE ALVITA® CARE FRANCHISE AGREEMENT

SEARCH AREA,
BUSINESS OFFICE AND PROTECTED AREA

Search Area: The Business Office must be located within the following geographic area:

Check box if map is attached.

Business Office: The approved location of your Business is:

Protected Area: The Protected Area consists of the following: _____

Check box if map is attached.

FRANCHISOR:

ALVITA CARE FRANCHISE, LLC
a Delaware limited liability company

FRANCHISEE:

[Business Entity Name]

By: _____

Print Name: _____

Title: _____

Date: _____

By: _____

Print Name: _____

Title: _____

Date: _____

(If Individual(s)):

Sign: _____

Print Name: _____

Date: _____

EXHIBIT C TO THE DISCLOSURE DOCUMENT

**TABLE OF CONTENTS
OF
OPERATING MANUALS**



FRANCHISE OPERATIONS MANUAL

TABLE OF CONTENTS 264 Pages

Preface for Manual (7 Pages)

The Manual Organization (P-1)

The Purpose of this Manual (P-2)

The Importance of Confidentiality (P-3)

Keeping the Alvita Care Operations Manual Current (P-4)

Submitting Suggestions to the Alvita Care Home Office (P-5)

Requesting a Variance (P-6)

A. INTRODUCTION (19 Pages)

Mission Statement (A-1)

Vision Statement (A-2)

C.A.R.E Values (A-3)

Alvita Care Philosophy (A-4)

Welcome Letter (A-5)

History of Alvita Care (A-7)

Services Provided to the Alvita Care Franchisee (A-9)

Responsibilities of the Alvita Care Franchisee and Staff (A-11)

Visits from the Home Office (A-14)

Paying Other Fees (A-16)

B. PRE-OPENING PROCEDURES (36 Pages)

Introduction (B-1)

Pre-Opening Timeline & Checklist (B-2)

Establishing a Business Form (B-7)

Business Planning (B-8)

Market Analysis (B-11)

Setting Up Your Facility (B-13)

Site Selection Criteria/Space Requirements

Site Acceptance

Lease Considerations

Building Out the Facility

Layout/Space Plan

Facility Requirements/Décor Specifications

Vehicle Specifications (B-18)

Contracting with Required Utilities and Services (B-20)

Obtaining Required Licenses and Permits (e.g., Nursing, etc.) (B-22)

Researching State Regulatory Requirements (B-24)

Setting Up Bank Accounts (B-25)

Procuring Required Insurance Policies (B-27)

Paying Taxes (B-29)

Required List of Equipment (B-31)

Initial Inventory of Supplies (B-32)

Conducting a Grand Opening (B-33)

C. PEOPLE DEVELOPMENT (66 Pages)

Introduction (C-1)

EEOC Guidelines in Hiring Employees (C-2)

Wage and Labor Laws (C-7)

Working with Independent Contractors (C-10)

Profile of an Ideal Employee (C-12)

C. PEOPLE DEVELOPMENT (continued)

Job Descriptions (C-15)

- Director/Manager
- Director of Nursing
- Director of Sales
- Care Coordinator
- Recruiter
- Caregiver/Certified Home Health Aide
- Administration/Billing

Recruiting Employees (C-16)

- Getting the Word Out
- Application
- The Interview Process
- Testing Procedures
- Background Check Procedures
- Credit Check Procedures
- Reference Check Procedures
- License Check Procedures (where applicable)

Hiring on an Introductory Period (C-39)

Training Employees (C-40)

- Orientating New Employees
- New Employee Paperwork (e.g., Non-Compete Agreement)
- Initial Training of New Employees
- Ongoing Training

Personnel Policies (C-45)

Tracking Effectiveness of Sales Staff (C-51)

Time-Tracking Procedures (C-53)

Uniform and Dress Code (C-54)

Conducting Performance Evaluations (C-57)

Progressive Discipline Procedures (C-61)

Separation/Termination Procedures (C-64)

D. CLIENT RECRUITMENT AND ASSESSMENT PROCEDURES (34 Pages)

Introduction (D-1)

Lead/Referral Generation Procedures (D-2)

Setting Up Appointments (D-5)

Overview of the Alvita Care Start of Care/Assessment Process (D-7)

Alvita Care Service Offering (Home Care (Activities of Daily Living), Bedside Care, Private Duty Nursing, Care Management, Specialty Services (e.g., Alzheimer's & Dementia Care, Oncology Care, Parkinson's Care, End of Life Care, Specialized Respiratory Care, Neurological Disorders Support & Recovery, Travel Nursing))

The Alvita Care Presentation

Completing the Alvita Care Assessment

Determining Frequency and Duration for Client Care

Communicating with Primary Care Physician

Overcoming Typical Objections

Client Acceptance Criteria & Procedures

Closing Procedures

Client Implementation Procedure (D-22)

Client Implementation Timeline

Client Checklist

Client Assessment

Communicating Alvita Care Service Policies

Entering Clients into the Database

Completing the Necessary Paperwork/Service Agreement

Sales Management Procedures (D-29)

Sales-Tracking Logs

Generating Prospect Management Reports

E. HEALTH CARE OPERATIONS (34 Pages)

Introduction (E-1)

Customer Service Procedures (E-2)

Customer Service Philosophy

Obtaining Feedback

Handling Complaints/Complaint Resolution Procedures

Handling Refund Requests

Scheduling Procedures (E-7)

Matching Staff to Client (e.g., Schedule, Skill Required for Care, etc.)

Meeting Time Commitments

On-Call Procedures

E. HEALTH CARE OPERATIONS (continued)

Monitoring Delivery of Care (E-11)

Supervisory Visits
Check-Up/Progress Calls

Scope of Services (E-14)

Services that Cannot be Performed
Home Care (Activities of Daily Living)
Bedside Care
Private Duty Nursing
Care Management

Working with Clients (E-19)

Care Plan
Charting/Documentation
Client Rights
Time Reporting

Hospitalization of a Client (E-26)

Safety and Security Issues (E-27)

Emergency and Safety Procedures
Hazard Communication Program
Emergency Procedures
Bloodborne Pathogen Program

Emergency Procedures (E-31)

Emergency Management Plan
Client Related Emergency
Staff Member Personal Emergency
Malfunction of Medical Equipment
Weather Related Emergency

F. OFFICE PROCEDURES (36 Pages)

Introduction (F-1)

Hours of Operation (Office and Service (24/7)) (F-2)

Office Opening and Closing Procedures (F-3)

Opening Checklists
Closing Checklists

F. OFFICE PROCEDURES (continued)

Privacy Procedures and Policies (F-7)

Health Information (HIPAA)
Confidential Communication

Software System (F-9)

AlayaCare
Viventium
HubSpot
PowerBI
Accounting Software
Office 365

Alvita Care Client File Flow (F-12)

Admission Process
Client File Procedures
Client Termination Procedures

Motivating and Communicating with Staff (F-20)

Billing Procedures (F-22)

Generating Invoices
Billing Procedures
Billing Insurance Companies (Long-Term Care Insurance)
Accepting Payment
Collection Procedures

Inventory Management (F-28)

Ordering Procedures
Ordering from Approved Suppliers
Receiving Procedures

Business Reporting (F-30)

Key Performance Indicators
Financial Statements

Franchise Reporting Requirements (F-34)

Royalty Payment
Advertising Contributions

Required Equipment/Facility Cleaning and Maintenance (F-35)

Daily, Weekly, Monthly Cleaning and Maintenance

G. MARKETING (32 Pages)

Introduction (G-1)

Marketing Plan (G-2)

Required Advertising Expenditures (G-6)

 Systemwide Advertising Requirement
 Local Advertising Requirement

Promoting Alvita Care in Your Area (G-8)

 Use of Media (e.g., Direct Mail, Social Media, etc.)
 Using Referrals to Build Business

Signage and Logo Specifications (G-26)

Guidelines for Using Alvita Care Marks (G-27)

Public Relations (G-28)

Community Involvement (G-29)

Obtaining Advertising Approval From Home Office (G-31)

EXHIBIT D TO THE DISCLOSURE DOCUMENT

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

If a state is not listed below, we have not appointed an agent for service of process in that state in connection with the requirements of the franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process. There also may be additional agents appointed in some of the states listed below.

STATE	STATE REGULATORY AGENCY	AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY
California	Department of Financial Protection and Innovation <i>Los Angeles</i> 320 West 4 th Street Suite 750 Los Angeles, CA 90013-2344 (213) 576-7500 <i>Sacramento</i> 2101 Arena Blvd. Sacramento, CA 95834 (916) 445-7205 <i>San Diego</i> 1350 Front Street, Room 2034 San Diego, CA 92101-3697 (619) 525-4233 <i>San Francisco</i> One Sansome Street, Suite 600 San Francisco, CA 94104-4428 (415) 972-8565	Commissioner of Financial Protection and Innovation 2101 Arena Blvd. Sacramento, CA 95834 (916) 445-7205
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities P.O. Box 40 Honolulu, Hawaii 96810 (808) 586-2744	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813
Illinois	Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	
Indiana	Franchise Section Indiana Securities Division Secretary of State Room E-111 302 W. Washington Street Indianapolis, Indiana 46204 (317) 232-6681	

STATE	STATE REGULATORY AGENCY	AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY
Maryland	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-7042	Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street Williams Building, 1st Floor Lansing, MI 48933 (517) 373-7117	
Minnesota	Minnesota Department of Commerce Securities Unit 85 7 th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600	Commissioner of Commerce 85 7 th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600
New York	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222	Attention: Uniform Commercial Code New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 (518) 473-2492
North Dakota	North Dakota Securities Department State Capitol 5th Floor, Dept. 414 600 East Boulevard Avenue Bismarck, ND 58505-0510 (701) 328-4712	Securities Commissioner North Dakota Securities Department State Capitol 5th Floor, Dept. 414 600 East Boulevard Avenue Bismarck, ND 58505-0510 (701) 328-4712
Oregon	Department of Consumer & Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, Oregon 97310 (503) 378-4140	

STATE	STATE REGULATORY AGENCY	AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY
Rhode Island	Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex-69-1 Cranston, RI 02920-4407 (401) 462-9527	
South Dakota	Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	
Virginia	State Corporation Commission 1300 East Main Street 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Department of Financial Institutions 150 Israel Road SW Tumwater, WA 98501
Wisconsin	Division of Securities Department of Financial Institutions Post Office Box 1768 Madison, Wisconsin 53701 (608) 266-2801	

EXHIBIT E TO THE DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDA AND RIDERS

CALIFORNIA ADDENDA & RIDER

**ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT FOR
ALVITA CARE FRANCHISE, LLC
STATE OF CALIFORNIA**

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

The following paragraphs are added to the disclosure document:

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

The Franchise Compliance Certificate is not applicable in California.

The following is added to Item 5 of the disclosure document:

Payment of all initial fees is postponed until after all of franchisor's initial obligations are complete and franchisee is open for business.

The following paragraphs are added at the end of Item 17 of the Disclosure Document pursuant to regulations promulgated under the California Franchise Investment Law:

California Law Regarding Termination and Nonrenewal. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

Termination Upon Bankruptcy. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et. seq.).

Post-Termination Noncompetition and Non-solicitation Covenants. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the respective agreement. These provisions may not be enforceable under California law. The franchisor will not enforce in California the prohibition on franchisee employing or soliciting for employment any current or former employee of franchisor or its affiliates (also known as a no-poach/non-solicitation provision) in section 18.5(c) of the Franchise Agreement that is disclosed in Item 17, rows q and r.

Applicable Law. The Franchise Agreement requires application of the laws of the State of Delaware with certain exceptions. These provisions may not be enforceable under California law.

Liquidated Damages. The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

**RIDER TO
ALVITA CARE FRANCHISE, LLC
FRANCHISE AGREEMENT
FOR USE IN CALIFORNIA**

This Rider is entered into this _____, 20____ (the “**Effective Date**”), between **ALVITA CARE FRANCHISE, LLC** (“**we**,” “**us**” or “**our**”), whose principal place of business is located at _____, and _____
_____ “**you**” or “**your**”), whose address is _____
(collectively, you and we are referred to as the “**parties**” and individually sometimes referred to as a “**party**”) and amends the Franchise Agreement between the parties dated as of the Effective Date (the “**Agreement**”).

1. **Precedence and Defined Terms.** This Rider is incorporated into the Agreement and supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Introduction.** No statement, questionnaire, or acknowledgment signed by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Intending to be bound, the parties sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

“**YOU**”

“**WE**”

ALVITA CARE FRANCHISE, LLC

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

ILLINOIS ADDENDA & RIDER

**ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT FOR
ALVITA CARE FRANCHISE, LLC
STATE OF ILLINOIS**

The following is added to the disclosure document:

The Franchise Compliance Certificate is not applicable in Illinois.

Institutional accounts may exist in this franchise system and may be located within your Protected Area. You may, but are not obligated to, market and sell your franchised products and services to Institutional accounts on the terms, conditions and pricing set by the Franchisor. If you elect not to do so, any other franchisee or affiliate of the Franchisor will service the account.

The following is added to Item 17 of the disclosure document:

Illinois law governs the franchise agreement(s).

Section 4 of the Illinois Franchise Disclosure Act states that any provision in a franchise agreement that designates jurisdiction and venue in a forum outside the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois

Franchisees' rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Disclosure Act.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

**RIDER TO
ALVITA CARE FRANCHISE, LLC
FRANCHISE AGREEMENT
FOR USE IN ILLINOIS**

This Rider is entered into this _____, 20__ (the “**Effective Date**”), between **ALVITA CARE FRANCHISE, LLC** (“**we**,” “**us**” or “**our**”), whose principal place of business is located at _____, and _____ “**you**” or “**your**”), whose address is _____ (collectively, you and we are referred to as the “**parties**” and individually sometimes referred to as a “**party**”) and amends the Franchise Agreement between the parties dated as of the Effective Date (the “**Agreement**”).

1. **Precedence and Defined Terms.** This Rider is incorporated into the Agreement and supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Institutional Accounts.** Institutional accounts may exist in this franchise system and may be located within your Protected Area. You may, but are not obligated to, market and sell your franchised products and services to Institutional Accounts on the terms, conditions and pricing set by the Franchisor. If you elect not to do so, any other franchisee or affiliate of the Franchisor will service the account.

3. **Termination.** The following is added to Section 17 of the Agreement:

The conditions under which this franchise can be terminated and a franchisee’s rights upon nonrenewal are set forth in Section 19 and 20 of the Illinois Franchise Disclosure Act.

4. **Governing Law and Jurisdiction.** Sections 21.1 and 21.2 of the Agreement are amended by adding the following:

Illinois law governs the franchise agreement(s). Section 4 of the Illinois Franchise Disclosure Act states that any provision in a franchise agreement that designates jurisdiction and venue in a forum outside the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

5. **No Waiver.** Be advised that any condition, stipulation, or provision purporting to bind any person requiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Law or any other law of Illinois is void.

Intending to be bound, the parties sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

“YOU”

“WE”

ALVITA CARE FRANCHISE, LLC

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

MARYLAND ADDENDA & RIDER

**ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT FOR
ALVITA CARE FRANCHISE, LLC
STATE OF MARYLAND**

The following is added to the disclosure document:

The Franchise Compliance Certificate is not applicable in Maryland.

Item 17 is amended by adding the following language after the table:

Any General Release required as a condition of renewal, sale and/or assignment or transfer does not apply to any liability under the Maryland Registration and Disclosure Law.

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

The provision in the franchise agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under Federal Bankruptcy Law (11 U.S.C. Section 1010 et seq.)

The franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation state that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

**RIDER TO
ALVITA CARE FRANCHISE, LLC
FRANCHISE AGREEMENT
FOR USE IN MARYLAND**

This Rider is entered into this _____, 20____ (the “**Effective Date**”), between **ALVITA CARE FRANCHISE, LLC** (“**we,**” “**us**” or “**our**”), whose principal place of business is located at _____, and _____ “**you**” or “**your**”), whose address is _____ (collectively, you and we are referred to as the “**parties**” and individually sometimes referred to as a “**party**”) and amends the Franchise Agreement between the parties dated as of the Effective Date (the “**Agreement**”).

1. **Precedence and Defined Terms.** This Rider is incorporated into the Agreement and supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **No Release, Estoppel or Waiver of State Law.** All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

3. **Jurisdiction.** Any litigation arising on claims under Maryland Law may be brought by the Franchisee in Maryland.

5. **Limitation on Claims.** Nothing in this Agreement will reduce the 3-year statute of limitations afforded a franchisee for bringing a claim arising under Maryland Law. All claims arising under the Maryland Law must be brought within 3 years after the grant of the franchise.

5. **General Release.** Any General Release required as a condition of renewal, sale and/or assignment or transfer does not apply to any liability under the Maryland Registration and Disclosure Law.

Intending to be bound, the parties sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

“**YOU**”

“**WE**”

ALVITA CARE FRANCHISE, LLC

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

MINNESOTA ADDENDA & RIDER

**ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT FOR
ALVITA CARE FRANCHISE, LLC
STATE OF MINNESOTA**

The following is added to the disclosure document:

The Franchise Compliance Certificate is not applicable in Minnesota.

Item 17, summary column for (f) is amended to add the following:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, subs. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.

Item 17, summary column for (m) is amended to add the following:

Any release signed as a condition of transfer will not apply to any claims you may have under the Minnesota Franchise Act.

Item 17, summary columns for (v) and (w) are amended to add the following:

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in this Disclosure Document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

**RIDER TO
ALVITA CARE FRANCHISE, LLC
FRANCHISE AGREEMENT
FOR USE IN MINNESOTA**

This Rider is entered into this _____, 20____ (the “**Effective Date**”), between **ALVITA CARE FRANCHISE, LLC** (“**we**,” “**us**” or “**our**”), whose principal place of business is located at _____, and _____ “**you**” or “**your**”), whose address is _____ (collectively, you and we are referred to as the “**parties**” and individually sometimes referred to as a “**party**”) and amends the Franchise Agreement between the parties dated as of the Effective Date (the “**Agreement**”).

1. **Precedence and Defined Terms.** This Rider is incorporated into the Agreement and supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Transfer.** Section 16 of the Agreement is amended to add the following:

Our consent to the transfer of the franchise will not be unreasonably withheld.

3. **Expiration of this Agreement.** Section 5 of the Agreement is amended to add the following:

With respect to franchises governed by Minnesota Law, we will comply with Minn. Stat. Sec. 80c.14, subs. 3, 4, and 5, which require, except in certain specified cases, that you be given 180 days’ notice of non-renewal of the Franchise Agreement.

4. **Termination.** Section 17 of the Agreement is amended to add the following:

With respect to franchises governed by Minnesota Law, we will comply with Minn. Stat. Sec. 80c.14, subs. 3, 4, and 5, which require, except in certain specified cases, that you be given 90 days’ notice of termination (with 60 days to cure).

5. **Jurisdiction.** The following is added to Section 21.2:

Minn. Stat. Sec. 80C.21 and Minn. Rules 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or franchise agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

6. **Injunctive Relief.** The Franchisee does not consent to the Franchisor obtaining injunctive relief for any matters coming under Minnesota Law; but the Franchisor may seek such injunctive relief.

7. **General Release.** Pursuant to Minn. Rule 2860.4400D the general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Minnesota Franchise Act.

Intending to be bound, the parties sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

“YOU”

“WE”

ALVITA CARE FRANCHISE, LLC

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

NEW YORK ADDENDA

**ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT FOR
ALVITA CARE FRANCHISE, LLC
STATE OF NEW YORK**

The following is added to the disclosure document:

The Franchise Compliance Certificate is not applicable in New York.

The following information is added to the cover page of the disclosure document:

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

The following is added at the end of Item 3 of the disclosure document:

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

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought

by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

The following is added to the end of Item 4 of the disclosure document:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

The following is added to the end of Item 5 of the disclosure document:

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

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

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

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

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

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

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

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

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

NORTH DAKOTA ADDENDA & RIDER

**ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT FOR
ALVITA CARE FRANCHISE, LLC
STATE OF NORTH DAKOTA**

The following is added to the disclosure document:

The Franchise Compliance Certificate is not applicable in North Dakota.

The Summary column of Item 17 paragraph (c) of the disclosure document is modified to read as follows:

Give us at least 90 days' notice of your intention to renew, sign our current form of franchise agreement and ancillary agreements, and sign a release (except for matters coming under the North Dakota Franchise Investment Law (the ND Law)).

The Summary column of Item 17 paragraph (r) of the disclosure document is modified by adding the following at the end of the sentence:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

The Summary column of Item 17 paragraph (u) of the disclosure document is amended by adding the following at the end of the paragraph:

Except those matters coming under the ND Law will be submitted to arbitration in a mutually agreeable location.

The Summary column of Item 17 paragraph (v) of the disclosure document is amended to read as follows:

Except for matters coming under the ND Law, litigation must be in New York City, New York.

The Summary column of Item 17 paragraph (w) of the disclosure document is amended to read as follows:

Except for matters coming under the ND Law, the law of Delaware (subject to state law).

The Franchisee is not required to waive jury trial for any matters coming under ND Law.

**RIDER TO
ALVITA CARE FRANCHISE, LLC
FRANCHISE AGREEMENT
FOR USE IN NORTH DAKOTA**

This Rider is entered into this _____, 20__ (the “**Effective Date**”), between **ALVITA CARE FRANCHISE, LLC** (“**we,**” “**us**” or “**our**”), whose principal place of business is located at _____, and _____ “**you**” or “**your**”), whose address is _____ (collectively, you and we are referred to as the “**parties**” and individually sometimes referred to as a “**party**”) and amends the Franchise Agreement between the parties dated as of the Effective Date (the “**Agreement**”).

1. **Precedence and Defined Terms.** This Rider is incorporated into the Agreement and supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.
2. **Grant of Successor Franchise.** You are not required to sign a general release as to any matters coming under the North Dakota Franchise Investment Law (the “**ND Law**”).
3. **Post-Term Competitive Restrictions.** Covenants not to compete, such as those mentioned in this section, are generally unenforceable in the State of North Dakota.
4. **Jurisdiction.** All matters coming under the ND Law may be brought in the courts of North Dakota.
5. **Governing Law.** This Agreement will be governed by North Dakota law.

Intending to be bound, the parties sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

“**YOU**”

“**WE**”

ALVITA CARE FRANCHISE, LLC

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

RHODE ISLAND ADDENDA

**ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT FOR
ALVITA CARE FRANCHISE, LLC
STATE OF RHODE ISLAND**

The following is added to the disclosure document:

The Franchise Compliance Certificate is not applicable in Rhode Island.

The following sentence is added to Item 17 (v) and (w): A provision in a franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

VIRGINIA ADDENDA & RIDER

**ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT FOR
ALVITA CARE FRANCHISE, LLC
STATE OF VIRGINIA**

The following is added to the disclosure document:

The Franchise Compliance Certificate is not applicable in Virginia.

Item 17(h) of the disclosure document is amended to add the following language:

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

No statement, questionnaire, or acknowledgment signed or agreed to by you in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

WASHINGTON ADDENDA & RIDER

**ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT FOR
ALVITA CARE FRANCHISE, LLC
STATE OF WASHINGTON**

The following is added to the disclosure document:

The Franchise Compliance Certificate is not applicable in Washington.

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

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Use of Franchise Brokers. The franchisor may use the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

**RIDER TO
ALVITA CARE FRANCHISE, LLC
FRANCHISE AGREEMENT
FOR USE IN WASHINGTON**

This Rider is entered into this _____, 20____ (the “**Effective Date**”), between **ALVITA CARE FRANCHISE, LLC** (“**we,**” “**us**” or “**our**”), whose principal place of business is located at _____, and _____
_____, (“**you**” or “**your**”), whose address is _____
(collectively, you and we are referred to as the “**parties**” and individually sometimes referred to as a “**party**”) and amends the Franchise Agreement between the parties dated as of the Effective Date (the “**Agreement**”).

1. **Precedence and Defined Terms.** This Rider is incorporated into the Agreement and supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Washington Franchise Investment Protection Act.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee’s earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor’s earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

4. **Use of Franchise Brokers.** The franchisor may use the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

Intending to be bound, the parties sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

“YOU”

“WE”

ALVITA CARE FRANCHISE, LLC

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT F TO THE DISCLOSURE DOCUMENT

GENERAL RELEASE

FORM OF RELEASE

The following is our current general release form that we expect to include in a release that a franchisee, developer, and/or transferor may sign as part of a renewal or an approved transfer. We may, in our sole discretion, periodically modify the release.

THIS RELEASE is given by _____ and their predecessors, agents, affiliates, legal representatives, agents, successors, assigns, heirs, beneficiaries, executors and administrators (collectively, the “**Franchisee**”), to **Alvita Care Franchise, LLC** and all of its predecessors, affiliates, owners, officers, employees, legal representatives and agents, directors, successors and assigns, and their heirs, beneficiaries, executors and administrators (collectively, the “**Franchisor**”).

Effective on the date of this Release, the Franchisee forever releases and discharges the Franchisor 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 the Franchisee now has or ever had against the Franchisor, including without limitation, anything arising out of that certain Franchise Agreement dated _____ (the “**Franchise Agreement**”), the franchise relationship between the Franchisee and the Franchisor, and any other relationships between the Franchisee and the Franchisor. This Release is effective for: (a) any and all claims and obligations, including those of which the Franchisee is not now aware; and (b) all claims the Franchisee has from anything which has happened up to now.

The Franchisee is bound by this Release. The Franchisee freely and voluntarily gives this Release to the Franchisor for good and valuable consideration and the Franchisee acknowledges its receipt and sufficiency.

The Franchisee represents and warrants to the Franchisor that the Franchisee has not assigned or transferred to any other person any claim or right the Franchisee had or now has relating to or against the Franchisor.

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

This Release is governed by Delaware law.

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

IN WITNESS WHEREOF, the undersigned execute this Release:

Date: _____

STATE OF _____
COUNTY OF _____

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

Signature of Notary
My Commission Expires: _____

EXHIBIT G TO THE DISCLOSURE DOCUMENT

**FORM OF PRINCIPAL
OWNER'S GUARANTY**

PRINCIPAL OWNER'S GUARANTY

This Guaranty must be signed by the principal owners (referred to as “you” for purposes of this Guaranty only) of _____ (the “**Business Entity**”) under the Franchise Agreement dated _____, 201__ and any Promissory Note for the Initial Franchise Fee, or otherwise (collectively, the “**Agreement**”) with **Alvita Care Franchise, LLC** (“us,” or “our” or “we”).

1. **Scope of Guaranty.** In consideration of and as an inducement to our signing and delivering the Agreement, each of you signing this Guaranty personally and unconditionally: (a) guarantee to us and our successors and assigns that the Business Entity will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (b) agree to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement.

2. **Waivers.** Each of you waive: (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.

3. **Consents and Agreements.** Each of you consent and agree that: (a) your direct and immediate liability under this Guaranty are 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 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.

4. **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.

5. **Effectiveness.** Your obligations under this Guaranty are effective on the Agreement Date, regardless of the actual date of signature. Terms not otherwise defined in this Guaranty have the meanings as defined in the Agreement. This Guaranty is governed by Delaware law and we may enforce our rights regarding it in the courts of New York City, New York. Each of you irrevocably submits to the jurisdiction and venue of such courts.

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

**PERCENTAGE OF OWNERSHIP
INTEREST IN BUSINESS ENTITY**

GUARANTORS

Print Name: _____
Date: _____

Print Name: _____
Date: _____

Print Name: _____
Date: _____

EXHIBIT H TO THE DISCLOSURE DOCUMENT

**FORM OF PRINCIPAL
OWNER'S STATEMENT**

PRINCIPAL OWNER’S STATEMENT

This form must be completed by the Franchisee Entity (“**Franchisee**”) if Franchisee has multiple owners or if Franchisee is owned by another/other business organization (such as a corporation, partnership or limited liability company). Franchisor is relying on the truth and accuracy of this form in awarding the Franchise Agreement to Franchisee.

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

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

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

Name of Person	Position(s) Held

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

Owner’s Name and Address	Description of Interest	% of Ownership

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

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

FRANCHISEE:

By: _____
Name: _____
Title: _____
Date: _____

OWNERS:

Individuals:

(Signature)

(Print Name)
Date: _____

(Signature)

(Print Name)
Date: _____

(Signature)

(Print Name)
Date: _____

(Signature)

(Print Name)
Date: _____

Corporation, Limited Liability Company or Partnership:

(Name of Entity)
By: _____
Name: _____
Title: _____
Date: _____

(Name of Entity)
By: _____
Name: _____
Title: _____
Date: _____

(Name of Entity)
By: _____
Name: _____
Title: _____
Date: _____

(Name of Entity)
By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT I TO THE DISCLOSURE DOCUMENT

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

**CONDITIONAL ASSIGNMENT OF
TELEPHONE NUMBERS AND LISTINGS AND INTERNET ADDRESSES**

THIS CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS AND INTERNET ADDRESSES (this “Assignment”) between **ALVITA CARE FRANCHISE, LLC**, a Delaware limited liability company, having its principal place of business at 231 W. 29th St. #400, New York, NY 10001 (“we” or “us” or “our”) and _____, a(n) _____ (“you” or “your”) (“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 the certain Franchise Agreement (the “Franchise Agreement”) dated as of _____, 20__ with you, pursuant to which you plan to own and operate an Alvita® Care Business (the “Business” or “Businesses”). The Businesses use certain proprietary knowledge, procedures, formats, systems, forms, printed materials, applications, methods, specifications, standards and techniques authorized or developed by us (collectively the “System”). We identify Alvita® Care Businesses 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 and internet addresses of the Business 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:** FOR VALUE RECEIVED, Franchisee assigns to Franchisor: (a) those certain telephone numbers and regular, classified or other telephone directory listings (collectively, the “Telephone Numbers and Listings”); and (b) those certain Internet website addresses (“URLs”) associated with Franchisor’s trade and service marks and used from time to time in connection with the operation of the Alvita® Care Business at the address provided above. This Assignment is for collateral purposes only and, except as specified in this Assignment, Franchisor has no liability or obligation of any kind whatsoever arising from or in connection with this Assignment, unless Franchisor notifies the telephone company and/or the listing agencies with which Franchisee has placed telephone directory listings (all such entities are collectively referred to herein as “Telephone Company”) and/or Franchisee’s Internet service provider (“ISP”) to effectuate the Assignment pursuant to its terms.

Upon termination or expiration of the Franchise Agreement (without extension) for any reason, Franchisor has the right and is empowered to effectuate the assignment of the Telephone Numbers and Listings and the URLs, and, in such event, Franchisee shall have no further right, title or interest in the Telephone Numbers and Listings and the URLs, and shall remain liable to the Telephone Company and the ISP for all past due fees owing to the Telephone Company and the ISP on or before the effective date of the assignment.

3. **Power of Attorney:** Franchisee agrees and acknowledges that as between Franchisor and Franchisee, upon termination or expiration of the Franchise Agreement, Franchisor shall have the sole right

to and interest in the Telephone Numbers and Listings and the URLs, and Franchisee irrevocably appoints Franchisor as Franchisee's true and lawful attorney-in-fact, which appointment is coupled with an interest, to direct the Telephone Company and the ISP to assign same to Franchisor, and execute such documents and take such actions as may be necessary to effectuate the assignment. Upon such event, Franchisee shall immediately notify the Telephone Company and the ISP to assign the Telephone Numbers and Listings and the URLs to Franchisor. If Franchisee fails to promptly direct the Telephone Company and the ISP to assign the Telephone Numbers and Listings and the URLs to Franchisor, Franchisor shall direct the Telephone Company and the ISP to effectuate the assignment contemplated hereunder to Franchisor. The parties agree that the Telephone Company and the ISP may accept Franchisor's written direction, the Franchise Agreement or this Assignment as conclusive proof of Franchisor's exclusive rights in and to the Telephone Numbers and Listings and the URLs upon such termination or expiration and that such assignment shall be made automatically and effective immediately upon Telephone Company's and ISP's receipt of such notice from Franchisor or Franchisee. The parties further agree that if the Telephone Company or the ISP requires that the parties execute the Telephone Company's or the ISP's assignment forms or other documentation at the time of termination or expiration of the Franchise Agreement, Franchisor's execution of such forms or documentation on behalf of Franchisee shall effectuate Franchisee's consent and agreement to the assignment. The parties agree that at any time after the date hereof they will perform such acts and execute 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.

4. **Indemnification:** You will indemnify and hold us and our affiliates, stockholders, directors, officers 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 and/or ISP.

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.

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 and/or ISP.

7. **Attorney's 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 are 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 and Forum:** This Assignment is governed by Delaware law. The parties will not institute any action against any of the other parties to this Assignment except in the state or federal

courts of general jurisdiction in New York City, New York, 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: _____

Print Name: _____

Title: _____

Date: _____

By: _____

Print Name: _____

Date: _____

By: _____

Print Name: _____

Date: _____

ASSIGNEE:

ALAVITA CARE FRANCHISE, LLC

By: _____

Print Name: _____

Title: _____

Date: _____

EXHIBIT J TO THE DISCLOSURE DOCUMENT

**FORM OF CONFIDENTIALITY, NONSOLICITATION AND
NONCOMPETITION AGREEMENT**

CONFIDENTIALITY, NONSOLICITATION AND NONCOMPETITION AGREEMENT

THIS CONFIDENTIALITY, NONSOLICITATION AND NONCOMPETITION AGREEMENT (this “**Agreement**”) is effective as of _____, 20____, between _____

_____ (the “**Franchisee,**” “**we,**” “**us**” or “**our**”) and _____
_____ (“**you**” or “**your**”).

BACKGROUND INFORMATION:

We have entered into a Franchise Agreement (the “**Franchise Agreement**”) with **Alvita Care Franchise, LLC** (the “**Franchisor**”) to operate an Alvita® Care Business franchise (the “**Business**” or “**Businesses**”). The Business is operated pursuant to formats, specifications, standards, methods and procedures prescribed or approved by the Franchisor (the “**System**”). We and the Franchisor possess certain confidential information, consisting of specifications, plans and other characteristics of products and services provided, the Computer System, Intranet database and information, and business operating techniques, criteria methods in obtaining licensing and meeting regulatory requirements, designing and constructing Businesses, the selection, testing and training of personnel and other employees, and the formats, specifications, standards, methods, procedures, information, and knowledge of and experience in the operating and franchising of Alvita® Care Businesses, which we either own or license (the “**Confidential Information**”).

You understand that the System and Confidential Information are the Franchisor’s proprietary trade secrets and confidential. You acknowledge that we and the Franchisor have and will provide you with specialized and extensive training regarding operation of the Business and have invested considerable time, funds and resources to do so. We have an obligation under the Franchise Agreement to maintain such Confidential Information as secret and confidential. You represent to us and the Franchisor that you have other skills that you can utilize if, for any reason, your relationship with us ends.

OPERATIVE TERMS:

Accordingly, you and we agree as follows:

1. **Confidentiality**. You will: (i) not use the Confidential Information in any other business or capacity; (ii) maintain the absolute confidentiality of the Confidential Information during and after the term of your ownership in, or employment by us; (iii) not make unauthorized copies of any portion of the Confidential Information disclosed in written or electronic form; and (iv) comply with all procedures we prescribe from time to time to prevent unauthorized use or disclosure of the Confidential Information.

2. **In-Term Competitive Restrictions**. During the time that you are one of our owners or employees, unless we otherwise permit in writing or except in accordance with another franchise agreement with us, you must agree that you will not, directly or indirectly (e.g., through a spouse, child or other immediate family member):

(a) have any direct or indirect interest as a disclosed or beneficial owner, or in any other capacity in any business or facility owning, operating or managing, or granting franchises or licenses to others to do so, any business or establishment that performs home healthcare services by certain licensed professionals and that are the same or similar to the services offered by Alvita® Care Businesses (a “**Competitive Business**”), (i) within the Territory; (ii) within any geographic territory that we have assigned to any one of our other Alvita® Care Businesses, employees, or Franchisees, or in which we directly operate, market or sell; (iii) via the Internet or other form of

e-commerce, wherever located; or (v) within 30 miles of any geographic area that we have awarded to any other Alvita® Care Businesses;

(b) perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business, wherever located;

(c) recruit or hire any employee of ours, of the Franchisor, of our or its affiliates, or of any of the Franchisor's franchisees, without obtaining the prior written permission of that person's employer; or

(d) divert or attempt to divert any business or customer of the Business to any Competitive Business.

Nothing in this Section prohibits you from having a direct or indirect interest as a disclosed or beneficial owner in a publicly held Competitive Business, as long as such securities represent less than 5% of the number of shares of that class of securities which are issued and outstanding.

3. **Post-Term Competitive Restrictions.** For a period of 2 years following the date that you cease to be one of our owners or an employee, you must agree that you will not, directly or indirectly (e.g., through a spouse, child or other immediate family member):

(a) have any direct or indirect interest as a disclosed or beneficial owner, or in any other capacity in a Competitive Business located or operating: (i) within the Protected Area; (ii) within any geographic territory that we have assigned to any other Alvita® Care Businesses whether operated by Franchisees, us or our affiliates; or (iii) within 30 miles of any geographic area that we have awarded to any other Alvita® Care Business;

(b) perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business located or operating: (i) within the Territory; (ii) within any geographic territory that we have assigned to any one of our other Alvita® Care Businesses, employees, or Franchisees, or in which we directly operate, market or sell; (iii) via the Internet or other form of e-commerce, wherever located; or (iv) within 30 miles of any geographic area that we have awarded to any other Alvita® Care Businesses;

(c) recruit or hire any employee of ours, of the Franchisor, of our or its affiliates, or of any of the Franchisor's franchisees, without obtaining the prior written permission of that person's employer; or

(d) divert or attempt to divert any business or customer of the Business to any Competitive Business.

If you refuse to voluntarily comply with the foregoing obligations, the 2-year period will be extended by the period of noncompliance. Nothing in this Section prohibits you from having a direct or indirect interest as a disclosed or beneficial owner in a publicly held Competitive Business, as long as such securities represent less than 5% of the number of shares of that class of securities which are issued and outstanding.

4. **Severability and Substitution.** To the extent that any portion of this Agreement is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, length of time or remedy, but may be made enforceable by reduction, adjustment or modification of any or all thereof, you and we

agree that this Agreement will be enforced to the fullest extent permissible under the laws or public policies of the jurisdiction in which enforcement is sought, and such reduced or modified provision will be enforced to the fullest extent.

5. **Acquisition.** You must agree that the confidentiality, competitive, and employment undertakings and restrictions survive any change in our ownership, any merger or consolidation, any sale of our assets, and any assignment or transfer of this Agreement.

6. **Extension of Time Period.** The time period during which you are to refrain from any of the activities listed in this Agreement will be automatically extended by any length of time during which you or any of your affiliates, successors or assigns are in breach of any provision of this Agreement. This Agreement will continue through the duration of the extended time periods.

7. **Suspension of Compensation.** We will not be required to pay any other compensation to you during any period of time in which you are in breach of this Agreement. Upon such breach, you forfeit payment of such amounts without limitation on any other remedies available to us for redress.

8. **No Defense or Setoff.** You must not assert, by way of defense or setoff, any alleged breach or damage caused by you if we must enforce this Agreement against you.

9. **Injunctive Relief.** You and we agree that the breach of this Agreement will result in irreparable harm to us and the Franchisor, and that no monetary award can fully compensate us if you violate it. Thus, if you breach this Agreement, you must that we will be entitled to an injunction restraining you from any further breach. Such injunctive relief may be obtained without bond, but upon due notice, in addition to such other and further remedies or relief as may be available to us at equity or law.

10. **Miscellaneous.**

(a) **Complete Agreement:** This Agreement contains the complete agreement between the parties concerning this subject matter. This Agreement supersedes any prior or contemporaneous agreement, representation or understanding, oral or written, between them. The continued relationship between the parties described in this Agreement constitutes full and sufficient consideration for the binding commitment of the parties to this Agreement.

(b) **Waiver and Amendment:** A waiver or amendment of this Agreement, or any provision of it, will be valid and effective only if it is in writing and signed by all parties or the party waiving such provision. No waiver of any term of this Agreement will operate as a waiver of any other term of this Agreement or of that same term at any other time.

(c) **Rights Cumulative:** No right or remedy available to any party is exclusive of any other remedy. Each and every remedy will be cumulative to any other remedy given under this Agreement, or otherwise legally existing upon the occurrence of a breach of this Agreement.

(d) **Certain Definitions:** As used throughout this Agreement, the following terms have the following meanings:

(i) The term “**person**” means any corporation, professional corporation or association, partnership (limited or general), joint venture, trust, association or other business entity or enterprise or any natural person;

(ii) The term “**affiliate**” means, with respect to any person, any other person that directly, indirectly, or through one or more intermediaries, controls, is controlled by or is under common control with, such person, and includes any subsidiaries or other business entities that are beneficially owned by such person or its affiliates;

(iii) The term “**attorney’s fees**” means any and all charges levied by an attorney for his services, including time charges, expenses and other reasonable fees including paralegal fees and legal assistant fees, and includes fees earned in settlement, at trial, on appeal or in bankruptcy proceedings.

(e) **Governing Law:** This Agreement is governed by the laws of the State of Delaware. The prevailing party in any litigation involving this Agreement must be reimbursed its attorney’s fees from the non-prevailing party.

(f) **Third-Party Beneficiary:** The parties understand and acknowledge that the Franchisor is a third-party beneficiary of the terms of this Agreement and, at its option, may enforce the provisions of this Agreement with you. Your obligations under this Agreement will continue for the benefit of our and the Franchisor’s successors and assigns.

(g) **Background Information:** The background information is true and correct and is incorporated into this Agreement. This Agreement will be interpreted with reference to the background information.

Intending to be bound, the parties sign below:

“US”:

“YOU”:

_____.

Signature: _____

Signature: _____

Print Name: _____

Print Name: _____

Title _____

Title: _____

Date: _____

Date: _____

EXHIBIT K 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 **ALVITA CARE FRANCHISE, LLC**, a Delaware limited liability company, having its principal place of business at 231 W. 29th St. #400, New York, NY 10001 (“**Franchisor**”), and _____ whose current principal place of business is _____ (the “**Franchisee**”).

BACKGROUND INFORMATION

The Franchisor entered into that certain Franchise Agreement (the “**Franchise Agreement**”) dated as of _____, 20__ with the Franchisee, pursuant to which the Franchisee plans to own and operate an Alvita® Care Business (the “**Business**”) located at _____ (the “**Site**”). In addition, pursuant to that certain Lease Agreement (the “**Lease**”), the Franchisee has leased or will lease certain space containing the Business described therein from _____ (the “**Lessor**”). The Franchise Agreement requires the Franchisee to deliver this Assignment to the Franchisor as a condition to the grant of a franchise.

OPERATIVE TERMS

The Franchisor and the Franchisee 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 Franchisor**: The Franchisee agrees to indemnify and hold the Franchisor and its affiliates, stockholders, 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 are named as a party or which any of them may suffer, sustain or incur by reason of, or arising out of, the Franchisee’s 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. **Conditional Assignment**: The Franchisee hereby grants to the Franchisor a security interest in and to the Lease, all of the furniture, fixtures, inventory and supplies located in the Site and the franchise relating to the Business, and all of the Franchisee’s rights, title and interest in and to the Lease as collateral for the payment of any obligation, liability or other amount owed by the Franchisee or its affiliates to the Lessor arising under the Lease and for any default or breach of any of the terms and provisions of the Lease, and for any default or breach of any of the terms and provisions of the Franchise Agreement. In the event of a breach or default by the Franchisee under the terms of the Lease, or, in the event the Franchisor makes any payment to the Lessor as a result of the Franchisee’s breach of the Lease, then such payment by the Franchisor, or such breach or default by the Franchisee, shall at Franchisor’s option be deemed to be an immediate default under the Franchise Agreement, and the Franchisor shall be entitled to the possession of the Site and to all of the rights, title and interest of the Franchisee 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 other rights or remedies of the Franchisor under any other Agreements or under other applicable laws or equities. In addition, if Franchisor or its affiliates assumes the assets of the Business or acquires the

ownership interests of Franchisee, and Lessor agrees to Franchisor's assumption thereof, Franchisee will assign all of its rights to the Lease and the Site to Franchisor. This Assignment shall constitute a lien on the interest of the Franchisee in and to the Lease until satisfaction in full of all amounts owed by the Franchisee to the Franchisor. In addition, the rights of the Franchisor to assume all obligations under the Lease provided in this Assignment are totally optional on the part of the Franchisor, to be exercised in its sole discretion. Franchisee agrees to execute any and all Uniform Commercial Code financing statements and all other documents and instruments deemed necessary by Franchisor to perfect or document the interests and assignments granted herein.

5. **No Subordination**: The Franchisee shall not permit the Lease to become subordinate to any lien without first obtaining Franchisor's 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 the operations of Franchisee on the Site and the agreements and other instruments referenced herein. The Franchisee will not terminate, modify or amend any of the provisions or terms of the Lease without the prior written consent of the Franchisor. 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 the Franchisee under the terms of the Lease or under the Franchise Agreement, the Franchisor shall be entitled to exercise any one or more of the following remedies in its sole discretion:

(a) to take possession of the Site, or any part thereof, personally, or by its agents or attorneys;

(b) to, in its discretion, without notice and with or without process of law, enter upon and take and maintain possession of all or any part of the Site, together with all furniture, fixtures, inventory, books, records, papers and accounts of the Franchisee;

(c) to exclude the Franchisee, its agents or employees from the Site;

(d) as attorney-in-fact for the Franchisee, or in its own name, and under the powers herein granted, to hold, operate, manage and control the Business and conduct the business, if any, thereof, either personally or by its agents, with full power to use such measures, legally rectifiable, as in its discretion 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 the Franchisor to exercise each and every of 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 the Franchisee, for any cause or ground which would entitle the Franchisor 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 or the Site that may seem judicious, in the sole discretion of the Franchisor; and

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

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

7. **Power of Attorney:** The Franchisee does hereby appoint irrevocably the Franchisor as its true and lawful attorney-in-fact in its name and stead and hereby authorizes it, upon any default under the Lease or under the Franchise Agreement, with or without taking possession of the Site, to rent, lease, manage and operate the Site to any person, firm or corporation upon such terms and conditions in its discretion as it may determine, and with the same rights and powers and immunities, exoneration of liability and rights of recourse and indemnity as the Franchisor would have upon taking possession of the Site pursuant to the provisions set forth in the Lease. The power of attorney conferred upon the Franchisor pursuant to this Assignment is a power coupled with an interest and cannot be revoked, modified or altered without the written consent of the Franchisor.

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

9. **Binding Agreements:** This Assignment and all provisions hereof shall be binding upon the Franchisor and the Franchisee, 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 "Franchisor" and "Franchisee" when used herein shall include 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 entities hereby represent and warrant that such execution has been duly authorized by all necessary corporate and shareholder 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 shall be held invalid for any reason, the remainder of this Assignment or any such section or subsection will not be affected thereby and will remain in full force and effect in accordance with its terms.

[Signature Page Follows]

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

THE "FRANCHISEE":

By: _____
Print Name: _____
Title: _____
Date: _____

By: _____
Print Name: _____
Date: _____

By: _____
Print Name: _____
Date: _____

By: _____
Print Name: _____
Date: _____

THE "FRANCHISOR":

ALVITA CARE FRANCHISE, LLC

By: _____
Print Name: _____
Title: _____
Date: _____

The Lessor hereby consents, agrees with, approves of and joins in with this CONDITIONAL ASSIGNMENT AND ASSUMPTION OF LEASE.

THE "LESSOR":

By: _____
Print Name: _____
Title: _____
Date: _____

EXHIBIT L TO THE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES

NONE

EXHIBIT M TO THE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM

NONE

EXHIBIT N

FRANCHISE COMPLIANCE CERTIFICATE

The Franchise Compliance Certificate is not applicable in the following states: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin

FRANCHISE COMPLIANCE CERTIFICATE

As you know, **ALVITA CARE FRANCHISE, LLC** (“we” or “us” or “our”), and you are preparing to enter into a Franchise Agreement for the operation of an **ALVITA® CARE BUSINESS** franchise. The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, to be certain that you have been properly represented in this transaction, and to be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this Questionnaire the same day as the Receipt for the Franchise Disclosure Document, but you must sign and date it the same day you sign the Franchise Agreement and pay your franchise fee.** Please review each of the following questions carefully and provide honest responses to each question. If you answer “No” to any of the questions below, please explain your answer on the back of this sheet.

- Yes__ No__ 1. Have you received and personally reviewed the Franchise Agreement and each attachment or schedule attached to it?

- Yes__ No__ 2. Did you receive the Franchise Agreement and each ancillary agreement, containing all material terms, at least 7 calendar days before signing any binding agreement with us or an affiliate? (This does not include any mutually agreed upon changes to any agreement.)

- Yes__ No__ 3. Have you received and personally reviewed the Franchise Disclosure Document we provided?

- Yes__ No__ 4. Did you receive the Franchise Disclosure Document at least 14 calendar days before signing the Franchise Agreement, this Questionnaire, or any related agreement, or before paying any funds to us or an affiliate related to the franchise sale?

- Yes__ No__ 5. Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?

- Yes__ No__ 6. Do you understand all the information contained in the Franchise Disclosure Document and Franchise Agreement?

- Yes__ No__ 7. Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant or other professional advisor?

- Yes__ No__ 8. Have you discussed the benefits and risks of developing and operating an Alvita® Care Business franchise with an existing Alvita® Care Business franchisee?

- Yes__ No__ 9. Do you understand the risks of developing and operating an Alvita® Care Business franchise?

- Yes__ No__ 10. Do you understand the success or failure of your franchise will depend in large part upon your skills, abilities and efforts and those of the persons you employ as well as many factors beyond your control such as competition, interest rates, the economy, inflation, labor and supply costs and other relevant factors?

- Yes__ No__ 11. Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be mediated in Delaware, if not resolved informally?

- Yes__ No__ 12. Do you understand that you must satisfactorily complete the initial training course before we will allow your franchised Business to open or consent to a transfer?

- Yes__ No__ 13. Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating an Alvita® Care Business franchise that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

- Yes__ No__ 14. Do you agree that no employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement, concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes__ No__ 15. Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue an Alvita® Care Business franchise will generate, that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes__ No__ 16. Do you understand that the Franchise Agreement and attachments to the Franchise Agreement contain the entire agreement between us and you concerning the franchise for the Alvita® Care Business meaning any prior oral or written statements not set out in the Franchise Agreement or the attachments to the Franchise Agreement will not be binding?

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

Franchise Applicant

Franchise Applicant

Name (please print)

Name (please print)

Dated _____

Dated _____

Franchise Applicant

Franchise Applicant

Name (please print)

Name (please print)

Dated _____

Dated _____

EXPLANATION OF ANY NEGATIVE RESPONSES [REFER TO QUESTION NUMBER]:

EXHIBIT O TO THE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

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 Date
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
Virginia	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT P TO THE DISCLOSURE DOCUMENT

RECEIPTS

RECEIPT #1

(This copy is for the prospective franchise owner and should not be detached)

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 Alvita Care Franchise, 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, us 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 or 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 Alvita Care Franchise, 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, D.C. 20580 and the appropriate state agency identified on Exhibit "E."

The franchisor is Alvita Care Franchise, LLC, located at 231 W. 29th Street, #400, New York, NY 10001. Its telephone number is (212) 273-0490.

We authorize the respective state agencies identified on Exhibit "D" to receive service of process for us if we are registered in the particular state.

Issuance Date: April 21, 2023

The name, principal business address, and telephone number of the franchise sellers offering the franchise are:

Name	Principal Business Address	Telephone Number
Moshe Zaghi, Paula Cheng	231 W. 29th St., #400 New York, NY 10001	(212) 273-0490

I have received the Alvita Care Franchise, LLC Franchise Disclosure Document dated April 21, 2023, that included the following Exhibits:

- | | |
|--|---|
| Exhibit "A" Financial Statements
Exhibit "B" Franchise Agreement
Exhibit "C" Table of Contents of Manuals
Exhibit "D" List of State Agencies/Agents for Service of Process
Exhibit "E" State Specific Addenda and Riders
Exhibit "F" General Release
Exhibit "G" Principal Owner's Guaranty
Exhibit "H" Principal Owner's Statement | Exhibit "I" Conditional Assignment of Telephone Numbers and Listings and Internet Addresses
Exhibit "J" Confidentiality, Nonsolicitation and Noncompetition Agreement
Exhibit "K" Conditional Assignment and Assumption of Lease
Exhibit "L" List of Franchisees
Exhibit "M" List of Franchisees who have Left the System
Exhibit "N" Franchise Compliance Certificate
Exhibit "P" Receipts |
|--|---|

Print Name

Date

(Signature) Prospective Franchise Owner

(Your Copy)

RECEIPT #2

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 Alvita Care Franchise, 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, us 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 or 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 Alvita Care Franchise, 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, D.C. 20580 and the appropriate state agency identified on Exhibit "E."

The franchisor is Alvita Care Franchise, LLC, located at 231 W. 29th Street, #400, New York, NY 10001. Its telephone number is (212) 273-0490.

We authorize the respective state agencies identified on Exhibit "D" to receive service of process for us if we are registered in the particular state.

Issuance Date: April 21, 2023

The name, principal business address, and telephone number of the franchise sellers offering the franchise are:

Name	Principal Business Address	Telephone Number
Moshe Zaghi, Paula Cheng	231 W. 29th St., #400 New York, NY 10001	(212) 273-0490

I have received the Alvita Care Franchise, LLC Franchise Disclosure Document dated April 21, 2023, that included the following Exhibits:

- | | |
|--|---|
| Exhibit "A" Financial Statements | Exhibit "I" Conditional Assignment of Telephone Numbers and Listings and Internet Addresses |
| Exhibit "B" Franchise Agreement | Exhibit "J" Confidentiality, Nonsolicitation and Noncompetition Agreement |
| Exhibit "C" Table of Contents of Manuals | Exhibit "K" Conditional Assignment and Assumption of Lease |
| Exhibit "D" List of State Agencies/Agents for Service of Process | Exhibit "L" List of Franchisees |
| Exhibit "E" State Specific Addenda and Riders | Exhibit "M" List of Franchisees who have Left the System |
| Exhibit "F" General Release | Exhibit "N" Franchise Compliance Certificate |
| Exhibit "G" Principal Owner's Guaranty | Exhibit "P" Receipts |
| Exhibit "H" Principal Owner's Statement | |

Print Name

Date

(Signature) Prospective Franchise Owner

(Our Copy)