

## FRANCHISE DISCLOSURE DOCUMENT



HHCI, LLC a Georgia Limited Liability Company  
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Phone: 404.310.2687  
Website: [www.AmeriCareInfo.com](http://www.AmeriCareInfo.com)  
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The business you will own and operate is to solicit individual AmeriCare and AMLICare franchisees, and to act as our agent to assist and supervise the franchised businesses in your territory. The franchised business will provide non-medical home care services to adults of all ages in need of lifestyle support.

The total investment necessary to begin operations of any AmeriCare Area Representative franchise is \$276,838 to \$311,988, and includes of a minimum of \$239,000 that must be paid to the franchisor and its affiliates. You are also required to open and operate your own AmeriCare home care business. You will not have to pay a franchise fee to open that business, but you will be required to spend an additional \$33,599 to \$68,599 to get that business open and operating during a startup period.

This disclosure document summarizes certain provision 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 a different format, contact Richard Houden at 1300 Parkwood Circle, Suite 100, Atlanta, Georgia 30339, or at 404 310-2687. You may also contact him by email at [hello@americareinfo.com](mailto:hello@americareinfo.com)

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, N.W. Washington DC 20580. You can also visit the FTC's home page at [www.FTC.gov](http://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: MARCH 19, 2020**

## How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit A.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit B 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 AmeriCare 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 AmeriCare franchisee?	Item 20 or Exhibit A lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

## What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

### **Some States Require Registration**

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

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

## Special Risks to Consider About This *Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Georgia, 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 Georgia than in your own state.

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

**COVER PAGE FOR SALE OF FRANCHISES BY  
HHCI, LLC IN THE STATE OF MICHIGAN**

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
  - (i) The fact that the proposed transferee to meet 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 permit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

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

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation or endorsement by the attorney general.

Any questions regarding this Notice should be directed to the office of the attorney general, 670 Law Building, Lansing, Michigan 48913, (517) 373-7117.

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

**Franchisor, Parent, and Affiliates**

To simplify the language in this Disclosure Document, "We" or AmeriCare means HHCI, LLC, the Franchisor. "You" means the person(s) who buys the franchise, and includes the franchise owner, if the franchisee is a corporation, partnership or other business entity. Our principal business address is 1300 Parkwood Circle, Suite 100, Atlanta GA 30339. We have a predecessor, AmeriCare Alliance, Inc.

We have no parent company or affiliates. We share offices with City Publications Franchise Group, Inc., a franchisor of businesses offering direct mail advertising services, and our officers are also officers of that company. You will not have any dealing with that company or its franchisees.

**Agent for Service of Process**

In those states in which we are registered to sell franchises, our Registered Agent to receive service of legal process is listed on the List of State Agencies, which is Exhibit D to this Disclosure Document.

**The Business We Offer**

We were organized in the State of Georgia on June 17, 2013. On August 21, 2013, we acquired all of the assets of our predecessor, AmeriCare Alliance, Inc. Our predecessor started offering AmeriCare franchises in December, 2004. Our predecessor no longer engages in business of any kind and does not maintain an address. We do not operate a business of the type offered through this Franchise Disclosure Document. We began offering franchises in November, 2013. Since that date we have offered both the Area Representative franchises described in this document and individual franchises to operate a retail AmeriCare business. An individual AmeriCare franchisee will provide non-medical home care services. These services may include, companionship, transportation, meal preparation, light housekeeping, bathing and grooming. As of December 31, 2018, we had twenty individual AmeriCare franchises in operation. We do not offer franchises in any other lines of business other than the Area Representative franchises described in this document and the individual AmeriCare franchises offered in the separate Disclosure Document.

Starting in 2018, we began offering the same franchises under the name AMLI Care. We will determine which name you will use in your territory, but the franchised business is the same under both marks. For purposes of this Franchise Disclosure document, the business is referred to as AmeriCare. The services offered by the franchised business will include, companionship, transportation, meal preparation, light housekeeping, bathing and grooming. There is competition from other franchised and national chains, as well as individual caregivers and local businesses.

**Applicable Regulations**

There are government regulations in some states relating to brokers and sub-franchising, as well as state and national regulations and licensing of care givers and the types of assistance care givers can give without medical licensing. The Non-Medical home care industry is regulated by the state that you operate in. Each state has separate rules, regulations, fees and procedures that you will have to follow in regards to licensing

requirements of your state for home care and companion care. We direct you to a third party provider, currently LicenseLogix, to assist you with the licensing. Because of the variance with each state, we cannot advise you on your state, but will help you in the process. It is up to you and your advisors to research and understand the individual care restrictions and limitations of your individual state. New laws and regulations may be implemented in your state after you sign your Franchise Agreement. Keeping current with them is your responsibility.

## **ITEM 2** **BUSINESS EXPERIENCE**

Richard Houden: President and CEO

Richard Houden became President and CEO of AmeriCare on August 1, 2013. Mr. Houden acquired AmeriCare in 2013 as he recognized a unique opportunity in the home care industry. His expertise in lead generation and customer acquisition as well as his extensive background in franchising started with City Publications Franchise Group, Inc. Mr. Houden founded City Publications in 1998 and then began franchising the concept in 2004. Richard serves as President and has since its incorporation in December of 2002.

Nives Stanetti: Director of Marketing and Communications

Ms. Stanetti joined HHCI in August, 2013 as Director of Marketing and Communications. She has served in an identical role with our related company, City Publications Franchise Group, Inc., since October, 2004. Both companies are based in Atlanta, GA. At AmeriCare, she is responsible for developing and implementing marketing strategies at the corporate and franchise level, creative and advertising production, media buying, digital outreach, internal and external communications and public relations. Ms. Stanetti also manages HHCI's creative team and the corporate call center.

Anna Bradley: Director of Franchise Relations and Development

Ms. Bradley joined AmeriCare in September 2017 as Director of Franchise Relations and Development. Prior to joining AmeriCare, she was a Medical Business Consultant with the Scheduling Institute from April 2016 to September 2017 in Savannah, GA. From August 2015 to April 2016 Ms. Bradley served as Marketing Communications Specialist at Great Dane Trailers in Savannah, GA. From August 2014 to August 2015 she served as Marketing Director at the Columbus Symphony Orchestra and as Membership Manager at the Columbus Museum from September 2013 to August 2014. Both organizations are based in Columbus, GA. At AmeriCare, she manages the training program, oversees franchisees through the on-boarding process, and is responsible for growing the AmeriCare brand.

## **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**

Area Representative Fee

You are required to pay an Area Representative Fee that will vary with the size of the franchise territory. The minimum will be \$239,000 for a territory that will support at least 10 franchised AmeriCare businesses. This fee includes the franchise fee for our initial franchised outlet that you will operate within your territory. In 2019 the average area representative fee charged was \$239,000.

Franchise Fee

The franchise fee for a single outlet is \$49,000 and is included in your Area Representative Fee for your prototype AmeriCare Franchise.

The initial fees will be uniform in 2020 and are not refundable under any circumstances. You are not required to pay an initial training fee to us, nor are there any other payments to us for goods or services prior to opening due to us or our affiliates.

**ITEM 6**  
**OTHER FEES**

<b>TYPE OF FEE</b>	<b>AMOUNT</b>	<b>DUE DATE</b>	<b>REMARKS</b>
Advertising	\$1000 per month	Every Month	You must spend at least this amount each month in local advertising.
Assignment/ Transfer Fee	\$100,000	Prior to transfer	Due if you sell.
Renewal Fee	\$5,000	Upon renewal	10 year term, with two, 10 year renewal terms

No portions of the fees listed in this Item 6 are refundable under any circumstances.

All initial franchise fees paid by franchisees in your territory are paid to us, since the Franchise Agreements are signed by us and not you, but we remit the entire franchise fee to you. No portion of these fees is retained by us.

**ITEM 7**  
**ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**

<b>NATURE OF INVESTMENT</b>	<b>AMOUNT</b>	<b>METHOD OF PAYMENT</b>	<b>WHEN DUE</b>	<b>TO WHOM MADE</b>
Initial Franchise Fee	\$ 239,000 (1)	Lump Sum	Upon execution of the Area Representative Agreement.	Us
Equipment & Furniture	\$ 0 - \$3,000 (2)	Lump Sum	As Incurred	Suppliers
Insurance	\$ 800 - \$1,600 (3)	Lump Sum	As Incurred	Suppliers
Professional fees	\$ 250 - \$2,000	Lump Sum	As Incurred	Lawyers, accountants, Licensing Agencies
Security Deposit for Landlord	\$ 0 - \$2,000 (4)	Lump Sum	As Incurred	Suppliers
Costs for Area Representative Training	\$ 200 - \$1,500 (5)	Lump Sum	As Incurred	Suppliers
Marketing Materials	\$900 - \$1200 (6)	Lump Sum	After Franchise Training	Suppliers
Additional Funds	\$ 37,688 to \$61,688	Lump Sum	Spent in first year	Employees, Suppliers, Etc.
Total Estimated Initial Investment	\$276,838 to \$311,988			

**Note 1:** The figures in this chart are based on an initial franchise fee of \$239,000, but the fee may be more or less than that, based on the population in your proposed territory.

**Note 2:** Equipment for this business will include a phone, fax, copier, lap top and/or personal computer and digital camera. You can operate the business from your home

and you may not have to incur any costs for furniture and equipment if you already own the necessary items.

Note 3; The expenditure for insurance includes the first 4 months of required coverage of at least \$500,000 of liability coverage, fidelity bonding coverage, and a \$1,000,000 umbrella policy. Workers compensation insurance will not be necessary in some states. You are responsible for following all federal, state and local regulations regarding workers compensation insurance as well as the treatment of caregivers as independent contractors or employees for insurance and tax purposes.

Note 4: You can operate your AmeriCare Area Representative business out of your home, in which case you will not incur any costs for security deposits to a landlord. One of the requirements of being an AmeriCare Area Representative is that you open your own pilot AmeriCare operation in your Development area. That business must be operated in an office located outside of your home, and we expect that you would operate your Area Representative business in that same office, not in your home. You will need prior approval from us on your office location. If you lease office space for this business, you may have to pay first and last month's rent advance and a security deposit equal to one month's rent may be required. All such terms are, of course, subject to negotiations between you and your landlord. The cost of improvements will also vary between locations. The Unit franchise is sold pursuant to a separate Disclosure Document and the costs for you, as an Area Representative to open your pilot unit operation will range from \$33,599 to \$68,599, as reflected in the Unit Disclosure Document. Those numbers represent the estimated cost to open a unit operation without payment of an initial franchise fee for the unit.

Note 5: You will not pay for initial training up to two people, but will be responsible for travel and accommodation expenses, including meals during the training period.

Note 6: This fee is for your initial start-up package of stationary, envelopes, business cards and brochures, which will be purchased directly after franchise training. This cost will be ongoing as needed.

Neither we nor any affiliate of ours offers direct or indirect financing of any part of your Estimated Initial Investment.

## **ITEM 8**

### **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

#### Required Purchases

You are not required to purchase or lease any goods, services, supplies, fixtures, equipment, inventory or real estate from us or our designees, except that we do require that you purchase of a business software license from ClearCare, which has developed a software program specifically for running this business. ClearCare is provided by an unaffiliated third party vendor, and it manages your scheduling, booking, accounting, and payroll. We do not disclose to you any of our specifications and standards.

#### Approval of alternative suppliers

You are permitted to purchase all items needed in your business from any source. We estimate that about 17% of your initial purchases to start your business will come from

us, our affiliates, or designated sources and about the same percentage on an ongoing basis to operate the business.

**Revenues from franchisee purchases**

No portion of your opening or ongoing expenses are paid to us or any affiliate of ours for the purchase of any goods or services. No portion of our income in 2019 came from payments from Area Representatives for goods or services provided by us.

**Negotiated Prices**

We may negotiate purchase arrangements with suppliers for your benefit or that of the individual AmeriCare franchisees based on a case by case basis.

**Material Benefits**

There are no suppliers in whom any of our officers own an interest.

**ITEM 9  
FRANCHISEE'S OBLIGATIONS**

**This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.**

<b>OBLIGATION</b>	<b>SECTION IN AGREEMENT</b>	<b>ITEM IN DISCLOSURE DOCUMENT</b>
a. Site selection and acquisition of lease	No provision	Items 7 and 11
b. Pre-opening purchases and leases	No provision	Items 6, 7 & 10
c. Site Representative and other pre-opening requirements	No Provision	Items 6, 7 & 11
d. Initial and ongoing training	Sections 6 and 7 of the Area Representative Agreement	Item 11
e. Opening	Section 2 of the Area Representative Agreement	Item 11
f. Fees	Section 3 of the Area Representative Agreement	Items 5, 6 & 11
g. Compliance with standards & policies/ Operating Manual	Section 7 of the Area Representative Agreement	Item 11

<b>OBLIGATION</b>	<b>SECTION IN AGREEMENT</b>	<b>ITEM IN DISCLOSURE DOCUMENT</b>
h. Trademarks and proprietary information	Section 1, 6, and 7 of the Area Representative Agreement	Items 13 & 14
i. Restrictions on products/services offered	No provision	Items 8 & 16
j. Warranty and customer service requirements	Section 7 of the Area Representative Agreement	
k. Territorial Representative and sales quotas	Sections 2 and 7 of the Area Representative Agreement	Item 12
l. Ongoing product /service purchases	No provision	Item 8 & 16
m. Maintenance, appearance and remodeling requirements	No provision	None
q. Owner's participation/ management/staffing	No provision	Item 15
r. Records/reports	Section 7 of the Area Representative Agreement	Items 6 & 11
s. Inspections/ audits	Section 7 of the Area Representative Agreement	Item 6
t. Transfer	Section 7 of the Area Representative Agreement	Item 17
u. Renewal	Section 1 of the Area Representative Agreement	Item 17
v. Post-termination obligations	Section 9 of the Area Representative Agreement	Item 17
w. Non-competition covenants	Section 7 of the Area Representative Agreement	Item 17
x. Dispute resolution	Section 10 of the Area Representative Agreement	Item 17

## **ITEM 10** **FINANCING**

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

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

**Except as listed below, we need not provide any assistance to you.**

### Pre-Opening Obligations

Before you open your Area Representative Business, we will:

1. Conduct an initial training program. Within one hundred twenty days after you sign the Agreement, we will provide approximately three days of training to you on the operation of an Ares Representative Business. The training may include classroom training and/or hands-on training and will be conducted at our corporate headquarters. You must complete the training to our satisfaction and participate in all other activities we require before soliciting franchisees in the Development Area. There will be no tuition charge for this training but you must pay all travel, lodging, meal, and transportation expenses incurred by you. (Area Representative Agreement Section 6.4)
2. Lend to you one copy of our Operations Manual which contains our mandatory and suggested specifications, standards, and procedures for operating your franchise business and Area Representative Business. Exhibit F to this Disclosure Document sets for the table of contents for the Operations Manual. The manual contains 194 pages. (Area Representative Agreement Section 6.3)

### Continuing Obligations

During the operation of your Area Representative Business, we will:

1. Provide to you, as we deem appropriate in our sole discretion, with guidance and assistance in the following areas: (a) the operation of the Area Representative Business; (b) the products and services authorized for sale in the Development area, and specifications, standards, and operating procedures used by franchises; (c) purchasing approved equipment, furniture, furnishings, signs, products, operating materials, and supplies; (d) development and implementation of local advertising and promotional programs; (e) administrative, recordkeeping, and general operating and management procedures (other than employment or personal security matters); (f) establishing and conducting franchisee training programs; (g) changes in any of the above may occur from time to

time; and (h) specification of any approved brands, types and/or models of equipment, furniture, fixtures and signs. (Area Representative Agreement Section 6.2)

2. Provide for the collection of and distribution to you of your share of initial franchise fees and royalty received from each franchisee operating in the Development Area. The Area Representative will retain 100% of the franchise fee collected within their area, as well as 2% of the royalties collected within the area.
3. We will review the application of all prospective franchisees that you present to us (Area Representative Agreement Section 2.1)

Site Selection and Construction

We anticipate that you will operate your area representative business from a home office or out of your pilot franchised unit, so generally no construction or renovations are required to begin your Area Representative Business. Accordingly, we have not established site selection guidelines for the Area Representative Business. We estimate that it will be approximately 120 days from the time you sign the agreement to the time you begin operation of your business, but other than that agreed Minimum Development Obligation, there is no deadline for beginning operation on various factors. One factor that might affect the time period after signing and opening is any licensing requirements and any home healthcare credentialing of your state. Our approval of all office locations is required.

Training

The initial training program takes place as soon as possible after the execution of the Area Representative Agreement and must be completed within one month after signing the agreement. Training takes place in Atlanta and the people trained would be the franchise owner and the operator if that is a different person. This is the same training given to our individual franchisees, as we do not maintain a separate training program just for Area Representatives. You must successfully complete the training program to our satisfaction. We anticipate that a typical franchisee would open the franchised business within a month after completing training. The three days of franchisee training is expected to consist of the following.

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of on the Job Training</b>	<b>Location</b>
Start-Up/Review	2	0	Atlanta, Georgia
Advertising and Marketing	6	0	Atlanta, Georgia
Caregivers	6	0	Atlanta, Georgia
Clients	5	0	Atlanta, Georgia
Operations and Business Software	5	0	Atlanta, Georgia

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of on the Job Training</b>	<b>Location</b>
Total	24	0	Atlanta, Georgia

Training will be directed by Richard Houden, Anna Bradley, Nives Stanetti, and Carol Quinn. All but Anna Bradley have been with us since our formation in 2013, with Anna Bradley joining us in 2017. Richard Houden has been our President since August 1, 2013, and has over a dozen years of experience with City Publications Franchise Group, Inc., with whom we share office, in marketing, franchise sales and assistance to franchisees. Nives Stanetti has over eight years of experience in graphics and design, and works with our advertising programs. Carol Quinn is a certified QuickBooks trainer and has many years of experience in bookkeeping and management matters, also with City Publications. Though you must bear all expenses for your participation in the training program, such as travel, room and board, there is no extra charge for the training program for up to two people. There is a charge of \$500 per person for each additional person trained. Although not bound by the Area Representative Agreement, we may offer additional training courses to you during the term of the Area Representative Agreement, and you will be responsible for all of the costs and expenses incurred by you and or your designee. We reserve the right to make attendance at any additional training programs mandatory, but franchisees are not presently required to attend any additional training.

At the time you arrive for your initial training we will provide you with the main Operations/Training Manual. We reserve the right to modify the Manual from time to time. See Exhibit F for The Table of Contents of Operation Manual.

HHCI reserves the right to opt to do any and all inhouse (Corporate Headquarters) remotely via live webinars. This implementation is a result of the 2020 COVID-19 Coronavirus outbreak and is in the interest of the well-being of all new Area Developer Franchisees and HHCI Employees.

### Software/Hardware Requirements

We require a personal computer (lap top computer preferred) and the purchase of a business software license from ClearCare, which has developed a software program specifically for running this business. Both of these items are required immediately after training. You can purchase any brand or type of hardware, and any personal computer or laptop will be able to run the ClearCare program. ClearCare is provided by an unaffiliated third party vendor, and it manages your scheduling, booking, accounting, and payroll. You have no obligations to upgrade your computer during the term of the Franchise Agreement. There may be occasional upgrades to the ClearCare program. Any cost associated with any upgrade to the software would be charged by the vendor and we do not have any history with that, as we have recently switched to ClearCare from another program. In any event, we will not have any independent access to the information and data that is electronically stored on your computer or otherwise in your office. Franchisor will maintain regular access to your ClearCare account through the Headquarters Portal. The cost of the equipment and software will range from \$500 to \$5,000. If you have to purchase new computer hardware you can expect to spend around \$1,000, plus you will

spend \$100 per month on software. Annual upkeep and upgrades should not exceed \$500

### Advertising

An Area Representative is required to spend at least \$1,000 per month on franchise unit opportunities, but is not required to contribute separately to our national advertising fund. They may establish a local advertising co-operative once they begin establishing locations. An Area Representative is required to spend \$2,500 in the local market for their pilot unit to reach clients and caregivers.

## **ITEM 12** **TERRITORY**

The Area Representative Agreement grants you an exclusive right, license and privilege to use our trade name and trademarks in a specified geographical territory, usually described by a list of counties or zip codes. A minimum territory for an Area Representative would have a population of 3,000,000 to 3,800,000 people, enough to support twelve franchised businesses, including the prototype AmeriCare business that you will open and operate. Your continuation of exclusive rights to sell AmeriCare franchises is dependent upon your meeting a development schedule, which is comprised of goals of new sales over a specified number of months, typically one the first year after you open your prototype, two the year after, and three each year after that. (Please see section 2.1 in the Area Representative Agreement, the schedule may change depending on territory size). Once you achieve a targeted minimum number of units in your Territory, you must maintain that minimum throughout the term of your agreement. If you fail to meet your development schedule, we can terminate your rights to sell further franchises, allowing you to continue to act as Area Representative to the franchisees you have in place at that time. We do not otherwise have any rights to modify your territory. You cannot solicit or accept orders from outside of your territory. You do not have any options, rights of first refusal or similar rights to obtain additional franchises.

If you maintain an office outside of your home, you must notify us in advance of the address, which must be in your territory. Our approval of a relocation of your office is not required, but we do require that you notify us if you are relocating.

Because your business is performed in person with your client, we do not reserve any right for either AmeriCare or any affiliate to sell any goods or services in your territory through any alternative channels of distribution, such as the internet, direct marketing, catalog sales, whether under the AmeriCare name or otherwise, nor can you perform any sales or service by alternative methods of distribution.

We do not reserve any right for either ourselves or any affiliate to sell any goods or services in your territory through any alternative channels of distribution, such as the internet, direct marketing, catalog sales, whether under the AmeriCare name or otherwise, nor can you perform any sales or service by alternative methods of distribution. We will not ourselves directly sell a unit AmeriCare franchises inside your territory and will refer all leads to you, provided you are in compliance with your Area Representative Agreement.

### **ITEM 13** **TRADEMARKS**

We grant to you the exclusive right, within your franchised territory, to use our trade name, trademarks and service marks in the sale and servicing of AmeriCare franchises.

On May 12, 2009 our predecessor obtained registration on the Principal Register of the United States Patent and Trademark Office for the name "AmeriCare". The registration number is 3,620,769. Both of these registrations have been assigned to us. All required affidavits have been filed, and they are not eligible for renewal yet.

On December 18, 2017, we filed for registration of the mark "AMLI Care" with the United States Patent and Trademark Office. We were issued Registration Number 5529203 on July 31, 2018.

There is no interference, opposition or cancellation proceedings or any material litigation involving such trademark, service mark, trade name, logotype or commercial symbol to the best of our knowledge.

There are no agreements currently in effect that significantly limit our right to use or license the use of the above-mentioned trademark, service mark, trade name, logotype or other commercial symbol in any manner material to the operation of a franchise.

We are obligated by the Franchise Agreement to defend our trademarks, service marks, trade names, logotypes or other commercial symbols, and we have agreed to protect you against claims of infringement or unfair competition relating to those marks, including the payment of all attorney's fees, costs and any judgments. We will cooperate with you to protect you against trademark, service mark or other copyright infringement claims brought against you by any third parties. You do not have a specific duty to inform us of any claim against you based on your use of our Marks, but our obligation to defend you commences when we do receive that notice. Once notified, we will take affirmative action to defend you and we will have the right to control that defense. You will assist us in protecting the integrity of the Marks and trade name by always placing "tm" or "sm" or "R" next to these marks, regardless of use. Neither the Franchise Agreement nor the Area Representative Agreement have a provision allowing us to modify or discontinue the marks that we license to you.

We are aware of other businesses using the name AmeriCare in the medical and other industries. We do not believe that any of them have greater priority with respect to a federal trademark registration but there may be someone in your area using the name in a way that could materially interfere with your use of the mark. "AmeriCare." This is the primary reason why we added "AMLI Care" as a mark that can be used in the franchise system.

### **ITEM 14** **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

We do not own any patents, pending patent applications, or copyrights which are material to the operation of the franchise except our unregistered copyright of the Operating Manual.

Our proprietary and confidential information includes the services, technologies and procedures relating to the operation of the individual unit franchised AmeriCare business, which you will be offering for sale in your territory. This includes our manuals, customer records, methods of advertising and finding employees and clients for that business, as well as finding prospective franchisees in connection with your Area representative business. You are not permitted to make copies of these materials or use them for any purposes other than your operation of your Area Representative business and any retail AmeriCare business you may operate. You must return all such materials at the termination or expiration of your relationship with us.

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

You are required in Section 7.1 of your Area Representative Agreement to personally participate in the daily management and operation of the franchise, or in the case of an Area Representative who is not an individual, one or more of the principals of that entity are required to be actively involved and undergo training. An individual franchisee or a partner or shareholder of franchisee must attend and complete our training courses and program referred to in Item 11 of this Disclosure Document. The Area Representative Agreement does not contain any limitations as to whom you can hire, nor are any managerial personnel required to have an equity interest in the business or any entity owning the franchise. The Area Representative Agreement does not require you to place any non-competition, confidentiality or other similar restrictions on your employees. If the Area Representative is not an individual, there will be personal guaranties required. You are prohibited from offering franchises for a similar business during the term of your Area Franchise Agreement and for a period of one year after its expiration or termination

**ITEM 16**  
**RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You may offer franchises to operate AmeriCare franchises within the territory granted to you. The individual franchise agreements signed by the franchisees are signed with us, not you, and we have the right to approve all of the franchisees. We may grant another franchise or establish a company owned AmeriCare business in your territory.

**ITEM 17**  
**RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

**THE FRANCHISE RELATIONSHIP**

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

<b>PROVISIONS</b>	<b>SECTION IN AREA REPRESENTATIVE AGREEMENT</b>	<b>SUMMARY</b>
a. Term of the franchise	Item 1.3	10 years
b. Renewal or extension of the term	Item 1.4	If you are in good standing, you can renew for two, 10 year terms under the then current agreement
c. Requirements for you to renew or extend	Item 1.4	Give written notice, be in compliance with the Agreement, pay renewal fee
d. Termination by you	None	No express right
e. Termination by us without cause		Not permitted
f. Termination by us with cause	Item 8	We can terminate if you default
g. "Cause" defined-defaults which can be cured	Item 8	Curable defaults: failure to pay any fees, failure to meet Representative schedule, breach of Area Representative Agreement, cessation of business
h. "Cause" defined-defaults which cannot be cured	Item 8	Violation of non-compete provisions, misrepresentations in entering into Agreement, filing bankruptcy petition, sale of business without consent, termination of franchises owned by you as a franchisee
i. Your obligations on termination/non-renewal	Item 9	Obligations include disassociation with us, return of confidential materials, and payment of amounts due
j. Assignment of contact by us	No limitation	We may assign our rights
k. Assignment/transfer by you	Item 7.11	Only with our prior approval
	Item 7.11	

<b>PROVISIONS</b>	<b>SECTION IN AREA REPRESENTATIVE AGREEMENT</b>	<b>SUMMARY</b>
l. Our approval of assignment/transfer by you		We have the right to approve all assignments
m. Conditions for our approval of assignment/transfer	Item 7.11	You are in compliance with the Agreement; you have paid the full Area Representative Franchise Fee as defined in Section 3.1 of the Agreement. New franchisee qualifies, transfer fee paid, training arranged, release signed by you (see Appendix), all fees paid, and current agreement signed by new sub franchisor
n. Our right of first refusal to acquire your business	Item 7.11(b)	Right of first refusal is reserved by us
o. Our option to purchase your business	No Provision	Not Applicable
p. Your death or disability	No provision	Not Applicable
q. Non-competition covenant during the term of the franchise	Item 7.8	No involvement in sale of similar franchises within your territory
r. Non-competition covenants after the franchise is terminated or expires	Item 7.8	No sale of similar franchise within the territory for 1 year after term
s. Modification of the agreement	Item 10.4	No modifications generally unless agreed to in writing by both parties
t. Integration/merger clause	Item 10.2	Only the terms of the Franchise Agreement are binding (subject to state law). Any other promises may not be enforceable. No claim made in any franchise agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.
u. Arbitration or Mediation	Item 106	

<b>PROVISIONS</b>	<b>SECTION IN AREA REPRESENTATIVE AGREEMENT</b>	<b>SUMMARY</b>
		Most disputes are subject to mandatory mediation and arbitration
v. Choice of forum	Item 10.14	All actions must be brought in the State of Georgia (subject to state law)
w. Choice of law	Item 10.14	Georgia law governs (subject to state law)

**ITEM 18**  
**PUBLIC FIGURES**

At the time of the effective date of this Disclosure Document, there is no public figure whose name is used in connection with the franchise.

**ITEM 19**  
**FINANCIAL PERFORMANCE REPRESENTATIONS**

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

We do not 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 our President, Richard Houden, at 400 Interstate North Parkway, Suite 530 Atlanta Georgia 30339 404.310-2687, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20  
OUTLETS AND FRANCHISEE INFORMATION**

**Table No.1  
Area Representative Status Summary for Years 2017 to 2019**

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets and the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2017	4	5	+1
	2018	5	7	+2
	2019	7	6	-1
Company Owned	2017	0	0	0
	2018	0	0	0
	2019	0	0	0
Total Outlets	2017	4	5	+1
	2018	5	7	+2
	2019	7	6	-1

**Table No. 2  
Transfers of Area Representatives  
For Years 2017 to 2019**

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Totals	2017	0
	2018	0
	2019	0

**Table No. 3  
Status of Area Representatives  
For Years 2017 to 2019**

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations -Other Reasons	Column 9 Outlets at End of Year
Arizona	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
California	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Colorado	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	0	1	0	0	0	0	1
Florida	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Georgia	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	0	1	0	0	0	0
North Carolina	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
South Carolina	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations -Other Reasons	Column 9 Outlets at End of Year
	2019	1	0	0	0	0	0	1
Total	2017	4	1	0	0	0	0	5
	2018	5	2	0	0	0	0	7
	2019	7	0	1	0	0	0	6

**Table No. 4  
Status of Company-Owned Area Representatives  
For Years 2017 to 2019**

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets sold to Franchisees	Column 8 Outlets at End of Year
Total	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0

**Table No. 5  
PROJECTED AREA REPRESENTATIVE OPENINGS  
FOR YEAR ENDING DECEMBER 31, 2020**

STATE	AREA DEVELOPMENT AGREEMENTS SIGNED BUT UNIT NOT OPEN	PROJECTED NEW AREA REPRESENTATIVES	PROJECTED COMPANY OWNED OPENINGS
Arizona	0	0	0
Florida	0	1	0
Illinois	0	0	0
Michigan	0	0	0
Texas	0	0	0
TOTAL	0	1	0

Exhibit A contains a list of our currently operating Area Representatives. Exhibit A also lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every Area Representative who had a franchise terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Area Representative Agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, we have not signed any confidentiality clauses with any current or former franchisees which would in any way restrict their ability to speak with you openly about their experience with AmeriCare.

There are no trademark specific franchisee organizations associated with the franchise

system, nor are there any independent franchisee organizations that have asked to be included in this disclosure document.

**ITEM 21**  
**FINANCIAL STATEMENTS**

Our audited financial statements for the year that ended on December 31, 2019, December 31, 2017 and December 31, 2018 are attached hereto in Exhibit "B" to this Disclosure Document. Also included in Exhibit B are our unaudited interim financial statements as of March 31, 2020. With respect to the March 31, 2020 financial statements, THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

**ITEM 22**  
**CONTRACTS**

A copy of our standard Area Representative Agreement available in connection with this Disclosure Document is attached to this Disclosure Document as Exhibit "C".

**EXHIBIT A  
TO HHCI, LLC. DISCLOSURE DOCUMENT  
LIST OF AREA REPRESENTATIVES AS OF DECEMBER 31, 2019**

**ARIZONA**

David Kafora  
11811 N. Tatum Boulevard, Suite 3031  
Phoenix, AZ 85028  
602-953-7779

**CALIFORNIA**

David and Sally Price  
831 Alamo Drive Suite 4A  
Vacaville, CA. 95688  
707-447-7734

**COLORADO**

JJ Dedmon  
8351 Dove Ridge Way  
Parker, CO 80134  
303-960-9586

**FLORIDA**

Tony Joaquin  
455 NE 5<sup>th</sup> Avenue, #D-399  
Del Ray Beach, FL 33483  
800 506 0421

**NORTH CAROLINA**

Wayne and Sue Wampler  
4200 Morganton Road Suite 200-4  
Fayetteville, NC 28314  
910-487-0405

**SOUTH CAROLINA**

Wayne and Sue Wampler  
4200 Morganton Road Suite 200-4  
Fayetteville, NC 28314  
910-487-0405

**AREA REPRESENTATIVES WHO LEFT THE SYSTEM IN 2019**

**GEORGIA**

Alfred and Wooiyi Yin  
3069 Amwiler Rd, Suite 4,  
Peachtree Corners, GA 30071  
470.358.4688

**EXHIBIT B  
TO HHCI, LLC. DISCLOSURE DOCUMENT  
FINANCIAL STATEMENTS**

**HHCI, LLC**

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**FINANCIAL STATEMENTS**  
**December 31, 2017, 2018 and 2019**

# HHCI, LLC

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# **Geer & Associates**

## **Certified Public Accountants**

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### **AUDITOR'S REPORT**

To the Members of  
HHCI, LLC

We have audited the accompanying balance sheets of HHCI, LLC as of December 31, 2017, 2018, and 2019, and the related statement of income, retained earnings, cash flows and the related notes to the financial statements for the year ended December 31, 2017, 2018, and 2019.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entities internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the over all presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of HHCI, LLC as of December 31, 2019 and the results of operations and its cash flows for the year ended December 31, 2019, in conformity with accounting principles generally accepted in the United States of America. Our opinion for the year ending December 31, 2017 and 2018 was issued on February 15, 2018 and February 27, 2019, respectively. We have not re-evaluated the financial statements for the years ending December 31, 2017 and 2018, since those dates and do not extend our opinions from those dates.

*Geer & Associates, P.C.*

Geer & Associates, P.C.  
Atlanta, Georgia  
March 19, 2020

**HHCI, LLC**  
**BALANCE SHEETS**  
**DECEMBER 31, 2017, 2018 and 2019**

	<u>2017</u>	<u>2018</u>	<u>2019</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 15,072	\$ 9,137	\$ 5,900
Accounts receivable	-	48,400	-
Other current assets	-	-	-
	<u>15,072</u>	<u>57,537</u>	<u>5,900</u>
TOTAL CURRENT ASSETS	15,072	57,537	5,900
Fixed and intangible assets, net	-	-	-
Other assets	11,000	-	-
	<u>11,000</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 26,072</u>	<u>\$ 57,537</u>	<u>\$ 5,900</u>
LIABILITIES AND SHAREDHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable	\$ 4,656	\$ 13,582	\$ 11,100
Accrued liabilities	-	-	-
Current portion of long-term debt	-	-	-
	<u>4,656</u>	<u>13,582</u>	<u>11,100</u>
TOTAL CURRENT LIABILITIES	4,656	13,582	11,100
LONG-TERM DEBT, less current portion	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>4,656</u>	<u>13,582</u>	<u>11,100</u>
SHAREHOLDERS' EQUITY			
Member's Equity	21,416	43,955	(5,200)
	<u>21,416</u>	<u>43,955</u>	<u>(5,200)</u>
TOTAL SHAREHOLDERS' EQUITY	21,416	43,955	(5,200)
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	<u>\$ 26,072</u>	<u>\$ 57,537</u>	<u>\$ 5,900</u>

**See independent auditor's report and notes to financial statements**

**HHCI, LLC**  
**INCOME STATEMENT**  
**FOR THE YEARS ENDED DECEMBER 31, 2017, 2018 and 2019**

	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>REVENUES</b>			
Franchise fees	\$ 339,000	\$ 194,000	\$ 80,000
Royalty fees	30,561	75,244	110,700
Marketing and advertising fees	12,300	44,161	31,000
To revenue	<u>381,861</u>	<u>313,405</u>	<u>221,700</u>
<b>ROYALTY EXPENSE</b>	<u>15,071</u>	<u>10,763</u>	<u>5,600</u>
<b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES</b>	<u>379,265</u>	<u>266,952</u>	<u>282,000</u>
<b>NET ORDINARY INCOME</b>	(12,475)	35,690	(65,900)
<b>OTHER EXPENSES</b>			
Franchise repossession	-	-	-
Interest expense, net	<u>-</u>	<u>-</u>	<u>-</u>
Total other expenses	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET INCOME (LOSS)</b>	<u>\$ (12,475)</u>	<u>\$ 35,690</u>	<u>\$ (65,900)</u>
<b>RETAINED EARNINGS, BEGINNING</b>	\$ 15,391	\$ 21,416	\$ 43,900
MEMBER CONTRIBUTION/WITHDRAWALS	18,500	(13,151)	16,800
<b>NET INCOME(LOSS)</b>	<u>(12,475)</u>	<u>35,690</u>	<u>(65,900)</u>
<b>RETAINED EARNINGS, ENDING</b>	<u>\$ 21,416</u>	<u>\$ 43,955</u>	<u>\$ (5,200)</u>

**See independent auditor's report and notes to financial statement**

**HHCI, LLC**  
**STATEMENT OF CASH FLOWS**  
**PERIODS ENDED DECEMBER 31, 2017, 2018 and 2019**

	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net Income	\$ (12,475)	\$ 35,690	\$ (65,900)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	12,000	11,000	-
(Increase) decrease in:			
Accounts receivable	-	(48,400)	48,400
Other assets	-	-	-
Increase (decrease) in:			
Trade accounts payable	(13,139)	8,926	(2,537)
Other current liabilities	-	-	-
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>(13,614)</u>	<u>7,216</u>	<u>(20,037)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of equipment and leasehold improvements	-	-	-
Loan fees	-	-	-
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Member Contributions/Withdrawals	18,500	(13,151)	16,800
Debt principal reductions	-	-	-
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	<u>18,500</u>	<u>(13,151)</u>	<u>16,800</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	4,886	(5,935)	(3,237)
<b>CASH AT BEGINNING OF PERIOD</b>	<u>10,186</u>	<u>15,072</u>	<u>9,137</u>
<b>CASH AT END OF PERIOD</b>	<u>\$ 15,072</u>	<u>\$ 9,137</u>	<u>\$ 5,900</u>
<b>SUPPLEMENTAL DISCLOSURES</b>			
Interest paid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**See independent auditor's report and notes to financial statement**

**HHCI, LLC**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017, 2018 and 2019**

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NOTE A—ORGANIZATION AND OPERATIONS

HHCI, LLC (the "Company") was organized in the State of Georgia on July 20, 2013 for the purpose of providing non-medical home care services to senior and disabled persons through a national network of sub-franchisees and franchisees. The Company is doing business as Americare.

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The accounting policies of the company are in accordance with accounting principles generally accepted in the United States of America applied on a basis consistent with that of the preceding year. Outlined below are those policies considered particularly significant.

Revenue, Costs and Expense Recognition

The company offers sub-franchises, also called Area Developers ("Developer") territorial licenses to sell individual franchises ("units") in their areas. In addition, the Company may sell directly to a franchisee if not covered under an Area Developer Agreement. Franchise agreements grant the franchisee exclusive rights to open and operate the Americare business in a specific territory.

Developer license fees and Initial franchisee fees relating to franchise sales are recognized when all material services or conditions relating to the sale are substantially performed or satisfied by the Company. The services or conditions include providing an operations manual, marketing materials, training and start-up support. Deferred revenue is recorded where all material services or conditions relating to the sale have not been substantially performed or satisfied.

Generally, franchise fees are collected in accordance with the terms of the franchise agreements, generally as lump-sum payments due on the date of the agreement. Upon execution of the franchise agreement, the Company is only obligated to provide training within six months of signing the agreement. The cost of the training is not material to the franchise fee revenue, therefore, the revenue is recorded once the agreement is signed and payment is due from the franchisor.

Individual franchisees also pay monthly royalties directly to Americare based on a flat fee or a percent of gross revenues. These royalties are shared with the Developer, where applicable.

The Company rewards the Area Developers by reimbursing them half of the royalty income generated by the franchisees serving them.

Fair Value

The Company has determined that the estimate of fair value of the financial assets and liabilities do not differ considerably from their book value.

**HHCI, LLC**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017, 2018 and 2019**

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NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

Cash and Cash Equivalents

Cash and cash equivalents include cash and all investments with maturities of less than 90 days and are included as cash in the Statement of Cash Flow.

Inventories

All inventories are valued at the lower of cost or market.

Fixed Assets

Property and equipment is recorded at cost. Maintenance and repair of property is charged to operations and major improvements that significantly extend the lives of assets are capitalized. Expenditures for additions and improvements that significantly extend the lives of assets are capitalized. Upon the sale or other retirement of depreciable property, the cost and accumulated depreciation are eliminated from the related accounts and any gain or loss is reflected in operations. Depreciation is computed on the straight line and accelerated methods over the estimated useful lives of the depreciable assets, with range from 3 – 10 years. There were no Company fixed assets as of December 31, 2017, 2018 and 2019.

Income Taxes

The Company, with the consent of shareholders, has elected to be taxed as an S Corporation. In lieu of federal corporation income taxes, under an S Corporation election, the stockholders of the Company are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in the accompanying combined financial statements.

Advertising

The company expenses advertising production costs and communication costs as they are incurred. The total advertising expense for the period ending December 31, 2017, 2018 and 2019 was \$17,746, \$23,076, and \$5,900, respectively.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts, values and disclosures. Accordingly, actual results and values could differ from those estimates.

**HHCI, LLC**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017, 2018, and 2019**

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NOTE C—FIXED AND INTANGIBLE ASSETS

Fixed and intangibles assets consist of the following:

	<u>2017</u>	<u>2018</u>	<u>2019</u>
Office equipment	\$ -	\$ -	\$ -
Software and computer	-	-	-
Intangible purchase price of assets	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>
	60,000	60,000	60,000
Less accumulated depreciation and amortization	<u>37,000</u>	<u>49,000</u>	<u>60,000</u>
Net fixed and intangibles assets	<u>\$ 23,000</u>	<u>\$ 11,000</u>	<u>\$ -</u>

NOTE D – NOTES PAYABLE

As of December 31, 2016, 2017 and 2018, the Company owed \$-0-, \$-0-, and \$-0- respectively, in notes payable for the purchase of intangibles assets. The note payable does not include any interest, the current portion of the notes payable is \$-0- as of December 31, 2019.

NOTE E – LEASES COMMITMENT

As of December 31, 2018, 2018 and 2019, the Company has no leases.

NOTE F – CONTINGENT LIABILITIES AND COMMITMENTS

In the normal course of business, the company may be subject to claims and litigation. The company's insurance is sufficient to cover asserted and un-asserted claims, if any, and therefore the company's management believes there will be no material effect on the financial position of the company.

**HHCI, LLC**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018, 2017, and 2016**

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NOTE G—RELATED PARTY TRANSACTIONS

Shareholder Equity

The Company's sole shareholder provides equity capital to the Company as necessary during a given calendar and takes distributions from the Company during a given calendar year. The net of this equity capital funding is reflected in the financial statements as distributions in the financial statements. The sole shareholder taken distributions or made contributions to or from the Company as of December 31, 2017, 2018 and 2019 was \$18,500, \$(13,151) and \$16,800. The distributions and/or the lack of contributions could negatively affect equity of the company. These transactions are not arms-length.

The Company's sole shareholder routinely takes distributions and loans money to/from the company based on available cash flow from the operation. Distributions for each respective year are reflected within the financial statements. These transactions are not arms-length.

The Company's sole shareholder determines whether items should be recorded as expenditures paid for items the shareholder deems to be business related expense. The amount of expenditures is deemed deductible by the sole shareholder are unknown. These transactions are not arms-length.

Related Company Service Provider

City Publication Services, Inc. is a variable interest entity of City Publication Franchise Group, Inc. Both City Publication Franchise Group, Inc. and City Publication Services, Inc. are wholly owned by the sole shareholder of City Publication Group, Inc. City Publication Services, Inc. provides services to another related party by the corporate legal name of HHCI, Inc. It has been determined that City Publication Services, Inc. is not a variable interest entity of HHCI, Inc. The reimbursements for services performed for HHCI, Inc. by City Publication Services, Inc. have been recorded as a reduction in the expenditures of City Publication Services, Inc. and not as revenue of City Publication Services, Inc. The amount of the expenditure reimbursement was approximately \$167,200. Both City Publication Services, Inc. and HHCI, Inc. have the same sole shareholder.

**EXHIBIT C  
TO HHCI, LLC. DISCLOSURE DOCUMENT  
AREA REPRESENTATIVE AGREEMENT**



**HHCI, LLC.**

**AREA REPRESENTATIVE AGREEMENT**

**Area Representative:**

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**Date:**

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**AREA REPRESENTATIVE AGREEMENT  
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## AREA REPRESENTATIVE AGREEMENT

THIS AGREEMENT made and entered into as of this the \_\_\_\_\_ day of \_\_\_\_\_, 202\_ by and between HHCI, LLC., ("AmeriCare"), a Georgia corporation, and \_\_\_\_\_ (Representative).

### WITNESSETH:

WHEREAS, AmeriCare has expended time, effort and money to create a business concept under the name of "AmeriCare" and "AmliCare." The concept is hereinafter referred to as "AmeriCare."

WHEREAS, AmeriCare represents and warrants that it is the sole and exclusive franchisor of the AmeriCare system, for providing non-medical home care services.

WHEREAS, Representative desires to participate in the Representative of AmeriCare franchised businesses throughout the Territory designated on Exhibit A hereof (the "Territory"), to sell AmeriCare franchises to franchisees who will execute AmeriCare Franchise Agreements (the "Franchise Agreement") pursuant to which such franchisees will operate AmeriCare businesses in accordance with the standards of AmeriCare.

WHEREAS, the Representative will undertake to pay the Area Representative Fee to AmeriCare for the rights to franchise AmeriCare businesses in the Territory and is also required to open at least one, Representative-owned AmeriCare business in the Territory.

NOW THEREFORE, for and in consideration of the mutual promises, covenants and agreements contained herein and the payments and transfers hereinafter provided for and to evidence the agreement of the parties, it is hereby agreed as follows:

### **SECTION 1** **SUBLICENSE**

1.1. Offer of Territory Representative Rights. Pursuant to the terms and conditions herein contained, AmeriCare hereby grants Representative the exclusive rights (the "Area Representative Rights") in the Territory to market and sell AmeriCare franchise rights to Franchisees in accordance with the terms and conditions contained in AmeriCare' then-current Franchise Agreement, and then support said Franchisees, performing many of AmeriCare' obligations under the Franchise Agreements, and ultimately share in the economic rewards that flow to AmeriCare from the Territory. AmeriCare will designate whether Area Representative will do business under the AmeriCare or the AmliCare mark within the Territory.

1.2. Acceptance of Representative Rights. Representative hereby accepts these Area Representative Rights herein granted, and agrees to adhere to and abide by, and act as AmeriCare' Area Representative in accordance with the provisions of this Agreement, the provisions of the Franchise Agreement, the provisions of the AmeriCare Operating Manual, and all applicable laws.

1.3. Initial Term. The initial term of the Representative Rights shall commence on the date of execution of this Agreement (the "Effective Date") and shall continue until the tenth (10<sup>th</sup>) anniversary of such date (the "Expiration Date"), unless earlier terminated as provided in Section 8 hereof.

1.4. Renewal. Representative, at its election, may, upon the expiration of the Initial term, renew this Agreement for two, ten (10) year terms, on the then current agreement provided, however, that Representative shall have no right to renew unless (i) Representative, as of the expiration date, has complied with the material provisions of this Agreement, and (ii) no Event of Default, as herein defined, or event which with the giving of notice or passage of time, or both, will constitute an Event of Default, exists as of the expiration date. If Representative shall desire to renew this Agreement, Representative shall give written notice to AmeriCare, not later than ninety days prior to the expiration date of each term, of the Representative's desire to renew this Agreement, and pay the \$5,000 renewal fee prior to the scheduled expiration date of the term.

## **SECTION 2.** **OPENING SCHEDULE**

2.1. Opening Schedule. Representative agrees that development of AmeriCare businesses within the Territory shall be in accordance with a Development Schedule shown on Exhibit C, attached hereto. In the event Representative fails to timely meet the Development Schedule, Representative shall be in default of this Agreement and AmeriCare shall have certain remedies described in paragraphs 7.13 and 8.2. It is agreed that a franchise is deemed to have been "sold" when the Franchise Agreement has been signed and the entire Initial Franchise Fee has been paid to Franchisor. It is agreed that all such Franchise Agreements will be signed by AmeriCare, not Representative, and AmeriCare's review and approval of all prospective franchisees is required and will be performed in good faith by AmeriCare.

Representative will open its own pilot AmeriCare business no later than 60 days after completion of initial training. For its pilot AmeriCare business and all other Representative-owned units, Representative will follow the terms, conditions and payment schedule as defined in Section 7.14 of this agreement.

For purposes of this Section 2.1, all AmeriCare businesses in the Territory either owned and operated directly by Representative or by an entity affiliated with Representative, or by a sub-franchisee of Representative, shall count towards the total required. No such failure to maintain this minimum number of franchisees shall affect Representative's rights with respect to any franchised businesses then operating in the Territory. In this case, AmeriCare may, at its option, terminate the right of Representative to sell additional franchises. Representative would continue to serve as the Representative for the franchises that it has already sold, and would be entitled to continue to receive its portion of their royalty payments. In such case, this Agreement may not be renewed further by Representative, and AmeriCare reserves the right to terminate this Agreement in its entirety should Representative later fail to fulfill its remaining obligations under this Agreement. AmeriCare would also have the right to sell individual franchises or sell the remaining Area Rights to any party it chooses.

The provisions of this Section 2 shall not affect the terms of, or the rights of the parties,

including the Representative's, under any AmeriCare Franchise Agreement for any individual AmeriCare franchised business then in existence and owned by Representative.

### **SECTION 3.** **FEES PAYABLE BY REPRESENTATIVE**

3.1 Area Representative Franchise Fee. Representative agrees to pay AmeriCare a \_\_\_\_\_ (\$\_\_\_\_\_) Area Representative Fee to secure the Territory for exclusive AmeriCare Representative, which entitles Representative to share in the royalty and Franchise Fees collected. This Fee shall be fully paid upon execution of this Agreement, and is not refundable under any circumstances

3.2 Individual Unit Franchise Fees. All individual franchise agreements signed for the Territory will be signed by AmeriCare and the individual franchisee, and all initial franchise fees will be payable to AmeriCare. The initial franchise fees will be paid by AmeriCare to Representative, less any broker fees. If Representative is not current on any obligations then owed to AmeriCare, AmeriCare may retain as much of your portion of the franchisee's initial franchise fee or royalty as needed to bring Representative current on its obligations, including the entire fee if necessary. The current initial franchise fee for the individual franchises is \$49,000.

It is also agreed that all initial training for franchisees or employees of Representative owned units will be conducted by an AmeriCare representative and shall take place at a time and place specified by AmeriCare. It is also understood that there will be no additional training fee for the first two people per unit sold. The Area Representative and AmeriCare are not responsible for the Franchisees' travel and lodging expenses.

3.3 Royalty. Representative and AmeriCare will share royalties collected by AmeriCare on all units, with AmeriCare receiving 2/3<sup>rd</sup> and Representative 1/3<sup>rd</sup>, except for the pilot unit owned directly by Representative. The Representative will not receive a royalty return on the Representative owned pilot unit. It is expressly understood that all royalties shall be paid by all units in the Territory directly to AmeriCare. The \$500 royalty paid by franchisees during their first eight months will all be retained by AmeriCare.

3.4 Advertising. AmeriCare shall make franchise advertising/sales material (i.e. to sell franchises) available to Representative. Relative to national and regional advertising, it is understood that all franchisees and all Representative owned AmeriCare units, including the pilot, will contribute \$300 per month to the National Advertising Fund. Each franchised unit, including any owned by Representative, will also pay to the third party vendor designated by AmeriCare \$750 per month for search engine optimization and will pay a one-time \$1,250 set up fee. It is expressly understood that AmeriCare owns all trademarks, and maintains the absolute right to approve any and all advertising and use of the Trademarks in the Territory. AmeriCare will respond to all marketing/trademark approval requests within 10 business days of written submittal. In

addition, Representative will spend a minimum of \$1,000 per month on local advertising and will provide to AmeriCare proof that it has met this requirement.

#### **SECTION 4.** **REPRESENTATIONS OF AMERICARE**

In order to induce Representative to enter into this Agreement, AmeriCare represents and warrants as follows:

4.1. Due Organization. AmeriCare has good standing under the laws of the State of Georgia and has full corporate right, power and authority to execute, deliver and perform this Agreement.

4.2. Due Authority. This Agreement has been duly authorized by all corporate actions required by AmeriCare and constitutes the valid and binding obligation of AmeriCare enforceable in accordance with its terms, subject to applicable bankruptcy, moratorium, insolvency, receivership and other laws affecting the rights of creditors generally.

4.3. Licensed Rights. AmeriCare is the sole owner of the Licensed Rights, including, without limitation, the trademark AmeriCare and is not a party to or bound by any agreement in conflict herewith or with any provision hereof and has not granted to any other person, firm, corporation or business any right, license or privilege to use in the Territory any of the Licensed Rights or any name, symbol, logo or identifying mark which would be confusingly similar to the AmeriCare trademark, or which would have the effect of infringing upon any of the rights granted to Representative.

#### **SECTION 5.** **REPRESENTATIONS OF REPRESENTATIVE**

In order to induce AmeriCare to enter into this Agreement, Representative represents and warrants as follows:

5.1. Due Organization. Representative represents that it is duly organized, validly existing and in good standing under the laws of \_\_\_\_\_, and is duly qualified to transact business in the states or provinces included in the Territory; the copy of the Certificate or Articles of Incorporation of Representative furnished to AmeriCare is true, complete and correct and such Certificate or Articles have not been amended, altered or modified. The persons listed on Exhibit B hereto are the only persons owning directly or indirectly, or having the right to acquire, directly or indirectly, capital stock of Representative.

5.2. Due Authority. This Agreement has been duly authorized by all necessary corporate or other actions required on behalf of Representative and constitutes the valid and binding obligation of Representative enforceable in accordance with its terms, subject to applicable bankruptcy, moratorium, insolvency, receivership and other laws affecting the rights of creditors generally.

5.3. Investigation by Representative. Representative, has investigated AmeriCare, and has had ample opportunity to retain legal counsel, contact other multi-

unit operators and/or Representatives (if any) of AmeriCare and other persons engaged in business with AmeriCare or its officers or employees, and to ask of and have answered by officers of AmeriCare such questions as Representative deemed appropriate, and Representative has received such other information as Representative has requested.

## **SECTION 6.** **COVENANT AND AGREEMENTS OF AMERICARE**

AmeriCare covenants and agrees as follows:

6.1. Performance of Obligations to Franchisees. The parties agree that all Franchise Agreements within the Territory will be signed by AmeriCare, not the Representative. It is agreed that AmeriCare is not obligated to sign a Franchise Agreement with each potential sub-franchisee submitted by Representative, but shall act reasonably in selecting franchisees on the same basis that it selects franchisees outside of the Territory. Regarding franchisees, Representative will perform the duties as specified in sections 7.1, 7.2, and 7.3 herein.

6.2. Services of AmeriCare. AmeriCare shall offer to Representative such initial and continuing services relating to the business to be conducted by Representative as contemplated herein as AmeriCare deems necessary or advisable in connection with (i) furthering the business of Representative, (ii) protecting AmeriCare' Marks, trade name, know-how and other confidential information and trade secrets. Such services will include advising and consulting with Representative as to the conduct of Representative's business. Unless otherwise specified herein, such services, if provided, and if accepted at the discretion of Representative, shall be provided with or without additional charge as AmeriCare and Representative mutually agree.

6.3. Manuals. AmeriCare shall furnish to Representative one copy of AmeriCare's Operating/Training Manual. Said Manual shall be furnished in confidence and Representative shall exercise all reasonable care to keep all said information in confidence and shall not disclose it to anyone except to the extent necessary to operate said business. Representative further agrees to keep his/her copy of the Operations/Training Manual current and that changes in such standards, specifications and procedures as set forth in the Operations/Training Manual may become necessary from time to time and agrees to operate its AmeriCare business in accordance with such modifications, revisions and additions to the Operations/Training Manual as Franchisor, in the exercise of its judgment, makes from time to time.

6.4. Training. AmeriCare shall provide without charge to Representative an initial training course with respect to the management of an AmeriCare business. This training shall take place at a time and place specified by AmeriCare. This training period shall last three days, and all travel/lodging expense shall be paid for by Representative. There is no cost for the first two people trained, with a charge of \$500 per person for each additional person trained.

6.5. Protection of Marks. The parties acknowledge that AmeriCare is the owner of the proprietary marks associated with the Licensed Rights, including, without limitation, AmeriCare, and that Representative will not challenge that ownership. AmeriCare agrees to defend the marks and shall defend and indemnify Representative from any claims

arising out of Representative's proper and authorized use of the marks. In the event any third party violates AmeriCare right, title, or interest in or to any of said Marks, Representative shall cooperate fully with AmeriCare in AmeriCare's efforts to terminate such violations, at AmeriCare's expense.

If AmeriCare believes at any time that it is advisable for AmeriCare or Representative to modify, discontinue using and/or replace any Mark, and/or use one or more additional or substitute trademarks or service marks, Representative agrees to comply with AmeriCare's directions within a reasonable time after receiving notice. AmeriCare need not reimburse Representative for Representative's expenses in complying with these directions (such as costs that Representative incurs in changing the signs and panels on equipment in order to remove the Marks or AmeriCare's trade dress), for any loss of revenue due to any modified or discontinued Mark, or for Representative's expenses of promoting a modified or substitute trademark or service mark.

## **SECTION 7.** **COVENANTS AND AGREEMENTS OF REPRESENTATIVE**

Representative covenants and agrees as follows:

7.1. Sales of Franchises. Representative shall diligently and in good faith promote the sale of AmeriCare franchises within the Territory. Representative shall be actively involved in the day to day performance of Representative's obligations under this Agreement, and if Representative is not an individual, then one of Representative's principal officers or partners shall be so involved. Representative will at all times maintain a listing on BIZBYSELL, along with other internet Franchise Portals.

7.2. Training, Advice and Consultation. It is expressly understood that Representative shall provide an initial training program for each franchisee in the Territory, comparable to the initial training provided by AmeriCare to Representative. Representative shall also advise and consult with each Franchisee within the Territory regularly, and personally visit each franchisee in the Territory at least once every quarter or more frequently if reasonably requested to do so by AmeriCare, or if the sub-franchisee is in default, for the express purpose of evaluation, support and consultation. Representative support shall include but not be limited to execution of on-going marketing of franchises, introduction of new AmeriCare approved products and services, and any other element needed to help franchisees open their business, improve sales or uphold AmeriCare standards. In addition to the foregoing, Representative will assist franchisees in the Territory obtain all required licensing for operation of a non-medical personal care business.

7.3. Monitoring/Support. Representative shall, in accordance with the written procedures in the Operating Manual and standards and suggestions set forth from time to time by AmeriCare, monitor the conduct and activities of each Franchisee within the Territory and shall have responsibility for monitoring and reporting (and enforcing to the best of its ability) such Franchisee's compliance with AmeriCare's Franchise Agreement and operating methods, including without limitation, those standards, specifications and requirements set forth in the Operating/Training Manual, and approved use of AmeriCare's logos. This includes access to Area Developer's ClearCare database and all Franchisees' databases in the Area Developer's Territory. As stated, either

Representative or its authorized employee must make a personal call upon each Franchisee within the Territory at least once every quarter, or more frequently if reasonably requested to do so by AmeriCare, or if the sub-franchisee is in default. Representative shall furnish franchisee evaluation forms to AmeriCare as provided by AmeriCare from time to time, and will specifically furnish to AmeriCare a monthly report setting forth any violations known to Representative of AmeriCare's methods or violations of any section of the Franchise Agreement, and such other information as AmeriCare may reasonably request, and Representative shall advise AmeriCare of what steps Representative has taken to correct any violations noted in such reports. In addition, Representative shall act promptly to address and resolve any sub-franchisee violations brought to the attention of Representative by AmeriCare. In addition to the monthly reporting requirement described above, Representative will report to AmeriCare within one business day of discovering any of the following events involving a sub-franchisee in the Territory: (i) the sub-franchisee has closed or is in the process of closing the business; (ii) the sub-franchisee is changing the brand of the business, converting to another name or concept; (iii) the sub-franchisee is underreporting sales; (iv) there has been an unapproved change in ownership of the sub-franchisee, or such a change is imminent; (v) there has been a violation of law at the sub-franchisee's place of business, whether committed by sub-franchisee or someone else; or (viii) a lawsuit has been filed or threatened with respect to a AmeriCare business in the Territory.

7.4. Compliance with Laws. (a) Representative shall comply with all applicable federal, state and local laws, statutes, ordinances, rules and regulations pertaining to its business (including without limitation those laws, statutes, ordinances, rules and regulations governing the sale of or offers to sell franchises and the licensing of brokers in respect thereof), and shall obtain and thereafter maintain in good standing any and all licenses, permits and consents necessary for Representative to act as herein provided. Representative shall cooperate with AmeriCare in preparing and keeping current a Disclosure Document for use in the Territory. Each party shall indemnify, defend and hold the other harmless from and against any and all claims relating in any way to any alleged breach of any such laws or rules by the indemnifying party. Neither party hereto shall be liable for the gross negligence or intentional wrongdoing of the other party.

(b) Representative shall, within one business day after discovery by Representative, notify AmeriCare of any proceeding, investigation or other judicial or administrative action involving Representative or AmeriCare or of any claims or proceedings asserted or threatened against AmeriCare or Representative by any person.

7.5. Taxes. Representative shall pay when due all taxes, assessments and governmental charges upon or against Representative or Representative's real or personal properties, income or revenues; provided, however, that no such tax, assessment or governmental charge need be paid so long as the validity, applicability or amount thereof is being contested in good faith in appropriate proceedings.

7.6. Insurance. Representative is required to obtain and maintain, at its own cost and expense, insurance in such forms and amounts and against such risks as required by AmeriCare from time to time, in its reasonable judgment.

All policies of liability insurance obtained by Representative shall be underwritten by companies reasonably satisfactory to AmeriCare which are duly qualified to sell such

insurance to Representative and is required by AmeriCare, to name AmeriCare as an additional insured, as its interest may appear. Representative shall cause each such insurer to furnish to AmeriCare a certificate evidencing the terms and coverage of such insurance and naming the insured persons, and such certificate (or the policies themselves) shall provide that such policies shall not be altered, amended, terminated or permitted to expire without thirty (30) days' prior written notice to AmeriCare.

7.7. Books, Records and Accounts' Reports. Representative shall keep and preserve for a period of not less than three (3) years, full, accurate books, records and accounts with respect to the activities conducted by Representative pursuant to this Agreement and copies of such other forms and reports as AmeriCare may from time to time reasonably require. Representative hereby grants AmeriCare and its authorized employees, agents and representatives the right, at any time during regular business hours with 10 days' prior notice and at AmeriCare expense, to inspect, copy, examine and audit the books, records, accounts and tax returns of Representative related directly to this Agreement.

7.8. Non-Competition Regarding Franchise Sales. During the term and any option periods hereof and for a period extending one (1) year subsequent to any expiration or termination of this Agreement, Representative shall not engage in the business of selling franchises for a business concept providing services similar to those provided in the AmeriCare system.

7.9. Use of AmeriCare Marks. (a) Representative shall strictly comply with the written standards, specifications, requirements and instructions of AmeriCare regarding the use of AmeriCare' Marks. Representative agrees that the goodwill associated with AmeriCare Marks is and will remain the exclusive property of AmeriCare. Any increase in the goodwill associated with AmeriCare' Marks during the term hereof will inure to the AmeriCare' benefit. All rights to use AmeriCare' Marks shall automatically revert to AmeriCare without cost and without the execution or delivery of any document upon the expiration or termination of this Agreement.

(b) Without the prior written approval of AmeriCare, Representative shall not use all or any portion of AmeriCare' Marks as part of Representative's name, or as part of Representative's corporate name.

(c) During the term and any option periods hereof and continuing after the expiration or termination of this Agreement, Representative shall not directly or indirectly contest, challenge or assist in contesting the validity of any of AmeriCare' Marks.

(d) Representative shall immediately notify AmeriCare in writing of any unauthorized use of AmeriCare' Marks, AmeriCare' trade name or any other Proprietary Information, as herein defined, known to Representative, and Representative shall permit AmeriCare to direct any litigation or proceeding involving the AmeriCare Marks.

7.10. Proprietary Information. Representative acknowledges that during the term hereof, AmeriCare may disclose in confidence to Representative, either orally or in writing, certain trade secrets, know-how and other confidential information (herein referred to collectively as "Proprietary Information") relating to operation of a AmeriCare franchise. Any information regarding AmeriCare' methods shall be considered

Proprietary Information for the purposes of this Agreement; provided, however, that such Proprietary Information shall not include (i) any information that shall become generally known to the public through no fault of Representative; (ii) any information disclosed to Representative by a third party having legitimate and unrestricted possession thereof and the unrestricted right to make disclosure; or (iii) any information Representative can demonstrate was within its legitimate and unrestricted possession prior to the date hereof. Representative shall not disclose, divulge, publish, copy, reproduce or disseminate any Proprietary Information (including without limitation the Operating Manual) to any person, except that Representative may disclose, divulge, publish, copy, reproduce and disseminate Proprietary Information to its employees and the officers and employees of any sub-franchisee within the Territory, but only to the extent necessary for them to perform their respective functions in connection with this Agreement and individual Franchise Agreements. Representative shall be liable to AmeriCare for any unauthorized disclosure by any of Representative's officers or employees. The provisions of this section shall survive any expiration or termination of this Agreement.

7.11. Prohibitions on Assignments by Representative. (a) Without the prior written consent of AmeriCare, Representative shall not assign, transfer, convey or otherwise dispose of Representative's rights, benefits, duties, obligations or responsibilities under this Agreement, in whole or in part, nor shall any owner of Representative assign, transfer, convey or otherwise dispose of over thirty-five percent of the ownership interests in Representative, whether individually or in the aggregate, other than through the laws of descent and distribution, or by transfer between one of the owners shown on Exhibit B to another shown on that Exhibit. In the case of any such assignment requiring compliance with the terms of Section 7.11 hereof, the transferee must have reasonable qualifications as reasonably determined by AmeriCare, including but not limited to, good communication skills, and be willing to dedicate a full commitment to developing/supporting franchisees in the Territory. Such transfer by Representative may be conditioned upon the execution of a new Area Representative Agreement by the Transferee under the same terms as this Agreement, payment of a Transfer Fee of \$100,000 U.S., and execution of a general release of AmeriCare by the Representative and transferring owner. It is agreed that AmeriCare will not unreasonably withhold its consent to a proposed transfer by Representative. It is agreed no transfer fee shall be due on transfers not requiring the consent of AmeriCare, as described in this paragraph. Transfer Fees for individual stores are specified in the then current Franchise Agreement, and will be split between Representative and AmeriCare as per paragraph 3.2. Representative may not assign or transfer its rights under this Agreement while Representative is in is in any way in default under this Agreement, or before Representative has paid the full Area Representative Franchise Fee as defined in Section 3.1 of this Agreement, or before Representative has opened its AmeriCare Pilot Business and begun paying royalties.

(b) In the event Representative or any owner of Representative desires to assign all of Representative's rights and obligations under this Agreement (the "Assigned Rights and Obligations") or over thirty-five percent of any ownership interest in Representative to any person not a party to this Agreement (a "Third Party") pursuant to a bona fide offer by or to Third Party, Representative or such owner shall first furnish a copy of such offer to AmeriCare and offer to AmeriCare in writing the right to acquire the Assigned Rights and Obligations or such ownership interest upon the same terms offered by or to the Third Party. AmeriCare shall thereafter have the right and option, exercisable

within thirty (30) days after the offer by or to Third Party is delivered to AmeriCare to give notice to Representative or such owner stating that AmeriCare agrees to purchase the interest in question upon the terms and conditions specified in Representative's or such owner's offer to AmeriCare. If within said thirty (30) day period AmeriCare does not accept Representative's or such owner's offer, Representative or such owner may, within ninety (90) days thereafter (and provided that paragraph (a) hereof is fully complied with) then sell the Assigned Rights and Obligations or such ownership interest to Third Party upon terms no more favorable to Third Party than those set forth in the offer to AmeriCare. If the Assigned Rights and Obligations or such ownership interests are not so sold, they shall again become subject to the provisions of this paragraph.

7.12. Indemnification. Each party hereby agrees to indemnify, defend and hold harmless the other party and the officers, directors, employees, agents and representatives of the other party from any and all claims, demands, suits, proceedings, fines, losses, damages, costs and expenses (including reasonable attorneys' fees) based upon or arising out of (i) any breach of any representation, warranty or covenant of the indemnifying party contained herein or other failure by the indemnifying party to perform its obligations hereunder or (ii) any other wrongful action or inaction by the indemnifying party resulting from or in connection with the indemnifying party's business. Such obligation of indemnification shall not apply to claims arising out of Representative's proper use of AmeriCare' proprietary marks, for which AmeriCare shall indemnify Representative, as provided in Section 6.6 above. Neither party hereto shall be liable for the gross negligence or intentional wrongdoing of the other party.

7.13 Sales Quota. In order to maintain the right to develop AmeriCare in the Territory, Representative must meet the sales schedule described on Exhibit C attached hereto. If Representative fails to meet this schedule, AmeriCare may, at its option, terminate the right of Representative to offer additional franchises, in which case, Representative would continue to serve as the Representative for the franchises that it has already sold, and would be entitled to continue to receive its portion of their royalty payments. In such latter case, this Agreement may not be renewed further by Representative, and AmeriCare reserves the right to terminate this Agreement in its entirety should Representative later fail to fulfill its remaining obligations under this Agreement. If Representative fails to meet the unit opening schedule, AmeriCare also maintains the right to sell individual franchises or sell the remaining Area Rights to any party it chooses.

7.14 Pilot Operation and other Representative-owned units. In addition to the sales quota described above, Representative shall operate at least one AmeriCare franchise itself. Representative shall open that business not later than 60 days after completion of initial training. Representative shall also be responsible for following all federal, state and local regulations regarding the treatment of caregivers as independent contractors or employees for insurance and tax purposes. The initial term of the Representative's pilot AmeriCare business will be 10 years from the date of execution of this agreement, unless this agreement is terminated earlier as provided in Section 8 hereof. Representative, at its election, may, upon the expiration of the initial term, if not then in default hereunder, continue the pilot AmeriCare business for two, ten (10) year terms. It is understood that AmeriCare has included one single unit franchise with this agreement. If Representative decides to operate more than one franchise then Representative will pay for half of all franchise fees and royalties to AmeriCare.

For the pilot business, Representative will pay no initial franchise fee but will pay a full royalty. The standard royalties are currently 6% of gross monthly revenue. This monthly amount shall be due and payable on the 15th of the month for the prior month's sales, beginning immediately after training. The royalties shall be paid by credit card, debit card or bank draft, and Representative agrees to execute any documents requested by Franchisor to enable Franchisor to collect these fees. If Representative's method of payment should ever be declined, the royalty shall be considered past due, in which case Representative shall owe a late fee of \$50 for each occurrence and shall pay interest at an annual rate of fifteen (15%) percent of the amount owed, until paid in full.

For any other units owned by Representative, Representative will pay half of the standard franchise fee. The franchise fee is currently 49,000.00. The initial term and the renewal terms will be the same as Representative's pilot AmeriCare business. If, however, Representative's rights to sell additional units in the Territory are terminated, as provided herein, or this Agreement expires and is not renewed, then from that time going forward, Representative shall pay on all Representative-owned units, the full standard royalty paid by other franchisees in the Territory.

## **SECTION 8.** **TERMINATION**

8.1. Events of Defaults. These shall constitute Events of Default:

(a) If Representative shall fail to pay when due any fee, expense, charge or other amount due and owing to AmeriCare by Representative pursuant to this Agreement within ten (10) days after receipt of written notice thereof.

(b) If any of the representations of Representative herein contained or set forth in any other instrument, document or certificate furnished pursuant to this Agreement or in connection herewith shall be untrue in any material respect when made or shall omit any material fact necessary to make such representation not misleading in light of the circumstances in which such representation was made; or

(c) If Representative shall breach the provisions of §7.8 or 7.9 hereof; or

(d) If Representative shall breach or fail to comply with any other material agreement contained herein, and shall fail to cure such breach or failure within thirty (30) days after written notice thereof, provided however that if it will take in excess of thirty (30) days to cure, then such additional reasonable time as is necessary to cure will be granted, provided, however, that Representative shall not be entitled to receive such notices or right to cure if Representative has received more than 3 such notices of default within any 12 month period, whether or not Representative has cured such prior defaults; or

(e) If Representative abandons its role with franchisees by being unavailable to them for a period of longer than 7 consecutive days, unless such unavailability is caused by an Act of God, or either a reasonable announced vacation, illness or death of the operating principal of Representative, or;

(f) If Representative shall file any petition for relief from Representative's debts, liabilities or obligations or for appointment of a receiver for Representative or for all or a substantial portion of Representative's assets, or shall make a general assignment for the benefit of Representative's creditors; or if a petition in bankruptcy is filed against Representative or a receiver is appointed for Representative or for all or a substantial portion of Representative's assets and such petition or appointment is not stayed or vacated or otherwise discharged within sixty (60) days or becomes unappealable or is acquiesced in or consented to by Representative; or a judgment in an amount in excess of \$50,000 (U.S.) is entered against Representative and such judgment is not stayed, appealed or vacated or otherwise discharged within sixty (60) days; or

(g) If Representative or any owner of Representative shall, in violation of the provisions of this Agreement assign, convey, transfer, or sublicense all or any portion of either (i) Representative's rights, benefits, responsibilities, obligations or duties under this Agreement, or (ii) such owner's interest in Representative other than as permitted in section 7.11 herein;

(h) If Representative shall fail to meet the Unit Opening Schedule described in Exhibit C, within the time frames described therein,

(i) If Representative shall collect any initial franchise fees from franchisees in the Territory, which is contrary to the terms hereof, and shall fail to immediately forward such entire amount to AmeriCare.

(j) If Representative shall at any time fail to own and operate at least one AmeriCare business itself within the Territory.

8.2. AmeriCare' Remedies. Upon the occurrence of any Event of Default:

(a) AmeriCare may, at its option, after giving the Representative ten days written notice of an event of Default, cure said default and invoice Representative for all related expenses reasonably incurred, or

(b) AmeriCare may, at its election and without further notice or demand of any kind, declare this Agreement immediately terminated and, except as expressly provided herein to the contrary, of no further force or effect whatsoever. In such event, Representative shall have no further rights with respect to any Franchise Agreements with franchisees within the Territory, all of which shall accrue to AmeriCare. No such termination shall relieve Representative of any of their obligations, debts or liabilities hereunder, including without limitation any debts, obligations or liabilities which shall have accrued prior to such termination. Should this Agreement be terminated, AmeriCare will assume the role/rights of Representative, and have the right to sell franchises or Area Rights in the Territory as AmeriCare' chooses. Termination of this Agreement shall not cause a termination of any Franchise Agreement between Representative and AmeriCare. In addition, AmeriCare shall have the remedies described in Sections 2.1 and 7.13.

8.3. Applicable Law Controlling. If the termination, cancellation, renewal or any other provisions (including without limitation any notice requirement) set forth herein shall be inconsistent with any applicable federal, state or local law, then the provisions of said

law shall apply hereto, but only to the extent of such inconsistency. In all such matters, AmeriCare shall comply with the provisions of applicable law.

8.4 Termination of Representative-Owned Business. It is agreed that termination by AmeriCare of a Franchise Agreement for an AmeriCare business owned and operated by Representative or an affiliate of Representative shall not be the basis for AmeriCare to terminate this Agreement, however, in such event, AmeriCare may refuse to allow Representative or any affiliate of Representative to develop, own or operate any additional units itself.

**SECTION 9.**  
**COVENANTS OF REPRESENTATIVE REGARDING ACTIVITIES UPON**  
**EXPIRATION OR TERMINATION OF LICENSE**

Representative covenants and agrees that upon expiration or termination of this Agreement:

9.1. Return of Confidential Information. Representative shall, within ten (10) days of such expiration or termination, return to AmeriCare all copies of the Operating Manual received by Representative, together with all other materials containing trade secrets, know-how or other confidential information of AmeriCare, including all supplies, sales and other manuals or AmeriCare instructional material, client kits, transaction slips, and computer software. Representative shall not have to return any such items needed by Representative under Section 3.2 or in the continued operation of any individual franchised AmeriCare business operated by Representative and unaffected by the termination of this Agreement.

9.2. Cease Identification with AmeriCare. Representative shall, within five (5) days of such expiration or termination, discontinue Representative's use of AmeriCare' Marks and the use of any signs or other materials bearing any of AmeriCare' Marks; and shall delete from Representative's name and trade name, if any, any words indicating any affiliation with AmeriCare (except to the extent of such use is associated with any individual franchised AmeriCare business operated by Representative and unaffected by the termination of this Agreement). Similarly, should any sub-franchisee be terminated from their franchise Agreement, Representative shall take the steps necessary to the best of its ability (short of filing suit against the sub-franchisee) to get said sub-franchisee to remove all/any Marks, signs or any evidence of AmeriCare Marks or proprietary designs from sub-franchisee's premises.

9.3. Injunctive Relief. The parties agree that failure to abide by the provisions of this Section 9 will result in irreparable harm to AmeriCare and that AmeriCare' remedy at law for damages will be inadequate. Accordingly, Representative agrees that upon any breach by Representative of the provisions of this Section 9, AmeriCare shall be entitled to injunctive relief or specific performance in addition to any other remedies available at law or in equity.

9.4. Assignment of Rights. In the event that AmeriCare terminates this Agreement or it expires, as provided above, Representative shall be deemed to have assigned to AmeriCare all of Representative's rights and interest in and to any and all Franchise Agreements with franchisees in the Territory, although Representative shall

remain liable for all matters arising prior to the date of such termination and shall indemnify AmeriCare from same in accordance with the terms of Section 7.12. Representative shall take all steps reasonably requested by AmeriCare to effect a smooth transition, by which AmeriCare or its designee steps into the place of the Representative with respect to such franchisees. In connection therewith, Representative hereby authorizes AmeriCare in such circumstance to transfer any and all telephone numbers from Representative to AmeriCare or its designee.

## **SECTION 10.** **MISCELLANEOUS**

10.1. Survival of Representations. All statements of fact contained herein or in any certificate, agreement, instrument or other document delivered by or on behalf of any of the parties pursuant hereto or in connection with the transactions contemplated hereby shall be deemed representations and warranties made by such party and shall survive the execution of this Agreement and the consummation of the transactions contemplated herein.

10.2. Entire Agreement. This Agreement supersedes all prior discussions, understandings and agreements between the parties with respect to the matters contained herein, and contains the sole and entire agreement between the parties hereto with respect to the transactions contemplated herein. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

10.3. Waiver. Any term or condition of this Agreement may be waived at any time by the party hereto which is entitled to the benefit thereof, but such waiver shall only be effective if evidenced by a writing signed by such party. A waiver on one occasion shall not be deemed to be a waiver of the same or of any other breach on a future occasion. No course of dealing by any party, and no failure, omission, delay or forbearance by such party, in whole or in part, in exercising such party's rights, powers, benefits or remedies, shall be deemed a waiver of any such rights, powers, benefits or remedies.

10.4. Amendments and Modifications. This Agreement may be amended or modified only in writing, signed by both parties.

10.5. Cumulative Remedies. None of the remedies conferred upon any of the parties is intended to be exclusive of any other remedy, and each and every such remedy shall be in addition to, and not in limitation of or substitution for, every other remedy available at law or in equity or by statute or otherwise.

10.6. Independent Relationship. Except as expressly provided herein to the contrary, nothing contained herein or in any instrument, agreement or other document delivered pursuant hereto or in connection herewith shall make either of the parties hereto the partner, joint venture, or employee of the other. It is the intent of the parties that Representative is and shall continue to be an independent contractor responsible for all of Representative's obligations and liabilities with respect to the establishment and operation of the business conducted pursuant to the License herein granted. Unless expressly provided herein to the contrary, Representative shall have no authority,

express, implied or apparent, to act on behalf of or to bind AmeriCare, and Representative shall take no action to create any such authority or the appearance of an employer-employee relationship between the parties. In indicating its affiliation with AmeriCare, Representative shall at all times clearly represent that Representative is independently owned and operated. It is specifically agreed that, except to the extent specifically set out above, AmeriCare shall have no control over the day to day operations of the Representative.

10.7. Cost of Enforcement. In any action seeking to enforce the rights of either party hereunder, the prevailing party, as determined by the court or other tribunal before which such action is brought, shall be entitled to recover the costs and expenses of such party, plus, reasonable attorneys' fees, incurred in investigating, prosecuting or defending such actions.

10.9. Singulars and Plurals; Pronouns. Where the context so requires, the use of the singular form herein shall include the plural, and the use of the plural form the singular, and the use of any gender shall include any and all genders.

10.10. Execution in Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument.

10.11. Headings. The headings set out in this Agreement are for convenience of reference and shall not be deemed a part of this Agreement and shall not affect the meaning or construction of any of the provisions hereof.

10.12. Successors and Assigns. Except as expressly otherwise provided herein, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, legal representatives, successors and assigns.

10.13. Severability. In the event any one or more provisions of this Agreement or of any instrument or other document delivered pursuant hereto or in connection herewith shall for any reason be held to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement or any other instrument or document, and this Agreement and such other instruments and documents shall be interpreted and construed as if such invalid, illegal or unenforceable provision had never been contained therein.

10.14 Mediation and Arbitration. Any controversy or claim, other than those arising from falsification of reports, abandonment, those regarding trademark infringement, and non-compete provisions, arising out of or relating to this contract, or the breach thereof, shall be subject to non-binding mediation. The Mediator will be appointed in accordance with the Rules and Regulations of the American Arbitration Association unless the parties agree on a Mediator in writing within ten (10) days after either party gives written notice of Mediation. If either party alleges a dispute or controversy against the other party for any reason, except for those specified above, then that party will have the right to demand non-binding Mediation within the (10) days after the complaining party provides the other party with written notice describing the dispute or controversy. All Mediation hearings will take place exclusively in Cobb County Georgia, and will be held within twenty (20) days after the Mediator has been appointed. The cost of the Mediator will be shared equally by

the parties. The parties agree that they will act in good faith to settle any dispute or controversy between them either prior to or during Mediation. All matters, testimony, arguments, evidence, allegations, documents and memorandums will be confidential in all respects and will not be disclosed to any other person or entity by either party.

This Agreement is a written agreement evidencing a transaction involving commerce and is, therefore, subject to the terms and provisions of the Federal Arbitration Act, Title 9 of the United States Code. Except for a controversy or claim relating to the ownership of any of Franchisor's Marks or unauthorized use or disclosure of Franchisor's Confidential Information, all disputes arising out of or relating to this Agreement, or to any other agreements between the parties or with regard to interpretation, formation or breach of this or any other agreement between the parties, shall be settled by binding arbitration conducted in Cobb County, Georgia, in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. The proceedings will be held by a single arbitrator agreed upon by the parties or otherwise appointed by the District Court for the State of Georgia and located in Cobb County, Georgia. The decision of the arbitrator will be final and binding upon the parties hereto. The costs of the arbitration will be at the discretion of the arbitrator provided, however, that no party is obligated to pay more than its own costs and the cost of the arbitrator. Judgment upon the award rendered by the arbitrator may be entered in any court having in personam and subject matter jurisdiction. The parties hereby submit to the in personam jurisdiction of the federal and state courts in Georgia and to service of process by registered and return receipt requested, or by any other manner provided by law.

Franchisee expressly acknowledges that Franchisee has read the terms of this binding arbitration provision and specifically affirms that this provision is entered into willingly and voluntarily and without any fraud, duress or undue influence on the part of Franchisor or any of Franchisor's agents or employees.

10.15 Governing Law and Venue. The validity and effect of this Agreement are to be governed by and construed and enforced in accordance with the laws of the State of Georgia. The parties agree that any action brought by either party against the other party in connection with any rights or obligations arising out of this Agreement shall be instituted properly in a federal or state court of competent jurisdiction with venue only in the county of Cobb, State of Georgia, or in the United States District Court for the Northern District of Georgia, Atlanta Division, and either party to this Agreement named as a defendant in an action brought in connection with this Agreement in any other court outside of the above-designated county or district shall have the right to have the venue of said action changed to the above-designated county or district, or, if necessary, have the case dismissed, requiring the other party to re-file said action in an appropriate court in the above-designated county or federal district. If either party is not a resident of, or does not maintain a presence in Cobb County Georgia, then such party hereby agrees to submit personally to the jurisdiction of a court of competent subject matter jurisdiction located in the above-designated State and county or federal district. The parties acknowledge that this Agreement is executed in, and that a material portion of Franchisee's and Franchisor's obligations under this Agreement are to be performed in, the above-designated State and county and federal district. This provision shall not restrict or prohibit the Franchisor from seeking and obtaining injunctive relief in any court of competent jurisdiction. SEE APPENDIX.

10.16 Receipt of Disclosure Document. Representative acknowledges receipt of the Disclosure Document of AmeriCare relating to this Agreement and Representative confirms that no offer to sell franchise rights was made, and that no discussions or written communications between the parties constituting an offer took place prior to the delivery of the Disclosure Document. Representative acknowledges receipt of AmeriCare's Disclosure Document more than ten business days before executing this Agreement.

10.17 Acknowledgements. Representative acknowledges with their signatures that no earnings claims or performance representations were made by any employee, officer, representative or owner of AmeriCare, and that all estimates/projections were based off of independent assumptions. Further, Representative acknowledges that they were disclosed by AmeriCare with the AmeriCare Franchise Disclosure Document (Disclosure Document) including an Area Representative Agreement at least 14 days prior to signing the Agreement.

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Representative(s) Signatures

10.18 Notices. Any notice or communication required or permitted hereunder shall be in writing and shall be sent either by: (i) personal delivery service with charges therefore billed to shipper; (ii) expedited delivery service with charges therefore billed to shipper; or (iii) United States mail, postage prepaid, registered or certified mail, return receipt requested; addressed to such party at the address set forth below, or at such other address as such party may have designated by notice to the other given as provided below. Any notice or communication sent as hereinabove provided shall be deemed given or delivered: (i) upon receipt if personally delivered (provided that such delivery is confirmed by the courier delivery service); (ii) if sent by United States Mail, on the date appearing on the return receipt therefore, or if there is no date on such return receipt, the receipt date shall be presumed to be the postmark date appearing on such return receipt; or (iii) on the date of delivery by any expedited delivery service. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice, demand, or request sent. By giving at least five (5) days written notice hereof, any party shall have the right from time to time and at any time during the term of this Agreement to change its respective address, and each shall have the right to specify as its address any other address within the United States of America. Provided, that unless and until such written notice is actually received, the last addressee and address stated herein shall be deemed to continue in effect for all purposes.

A. If to AmeriCare: 1300 Parkwood Circle, Suite 100  
Atlanta, GA 30339

B. If to the Representative (s) at: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

10.19. Limitations of Claims

Any claim concerning the Franchised Business or this Agreement or any related agreement will be barred unless an arbitration or an action for a claim that cannot be the subject of arbitration is commenced within one (1) year from the date on which Representative or Franchisor knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to or the claim.

10.20 Limitation of Damages

Representative and Americare each waive, to the fullest extent permitted by law, any right or claim for any punitive or exemplary damages against the other, and agrees that if there is a dispute with the other, each will be limited to the recovery of actual damages sustained by it including reasonable accounting and/or legal fees as provided herein. Representative waives and disclaims any right to consequential damages in any action or claim against Americare concerning this Agreement or any related agreement. In any claim or action brought by Representative against Americare concerning this Agreement, Representative’s damages shall not exceed and shall be limited to refund of Representative’s Area Representative Fee.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on this the date first above written.

: HHCI, LLC.

\_\_\_\_\_  
Attest Date By: \_\_\_\_\_  
Richard Houden, CEO Date

REPRESENTATIVE (S)

\_\_\_\_\_  
Witness or Attest Date By: \_\_\_\_\_  
Date

\_\_\_\_\_  
Witness or Attest Date By: \_\_\_\_\_  
Date

## **State Law Appendix**

### **California State Law Appendix**

California Business and Professions Code Sections 20000 through 20043 provide rights to the Franchisee concerning termination or non-renewal of a franchise. If a franchise agreement contains a provision that is inconsistent with the law, the law still controls.

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

The Area Representative Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California Law.

The Area Representative Agreement requires application of the laws of the state of Georgia. This may not be enforceable under California Law.

Neither the Franchisor, nor any person or franchise broker in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such person from membership in such association or exchange.

Section 31125 of the California Corporations Code requires the Franchisor to give the Franchisee a disclosure document, in a form containing such information as the Commissioner may by rule or order require prior to a solicitation of a proposed material modification of an existing franchise.

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.

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

### **Illinois State Law Appendix**

Illinois law governs the Area Representative Agreement.

The conditions under which your franchise can be terminated and your rights upon non-renewal are set forth in sections 19 and 20 of the Illinois Franchise 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.

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 of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

### **Maryland State Law Appendix**

Notwithstanding any provisions in the Franchise Agreement to the contrary, any claims arising out of the Maryland Franchise Registration and Disclosure Law may be brought within the State of Maryland. Any such claim must be brought within three years after the grant of the franchise.

Pursuant to COMAR 02.02.08.16L of the Maryland Franchise Registration and Disclosure Law, a general release required as a condition to renewal, sale, and/or assignment/transfer of a franchise shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

No release or waiver of liability by a franchisee as a requirement to purchase a franchise shall constitute a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Notwithstanding any provision of the Franchise Agreement to the contrary, this Addendum will not be merged with or into, or superseded by, the Franchise Agreement. In the event of any conflict between the Franchise Agreement and this Addendum, this Addendum will be controlling. Except as otherwise expressly set forth in this Agreement, no other amendments or modifications of the Franchise Agreement are intended or made by the parties.

### **Minnesota State Law Appendix**

Minnesota law provides franchisees with certain termination and non-renewal rights. The Franchisor will comply with Minn. Stat. Sec. 80C.14, Subd. 3, 4 and 5 which requires, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement. Minnesota law thus modifies Items 2 and 15.

Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the 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.

The franchisor will protect the franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of

the name.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rule 2860.4400J. A court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

BY EXECUTING THIS APPENDIX, THE PARTIES HERETO MAKE THIS APPENDIX A PART OF THIS FRANCHISE AGREEMENT, AND INCORPORATE THIS APPENDIX THEREIN.

Applicable State or Commonwealth \_\_\_\_\_.

In Witness Whereof, the parties hereto have duly executed and delivered this Appendix as of the Effective date of the Franchise Agreement.

\_\_\_\_\_  
**AmeriCare  
HHCI, LLC.**

\_\_\_\_\_  
**Prospective Area Representative**

**EXHIBIT A**  
**TO AREA REPRESENTATIVE AGREEMENT**

Territory: Following Counties, and no other:

**EXHIBIT B  
TO AREA REPRESENTATIVE AGREEMENT  
ACKNOWLEDGMENT REGARDING CONTROLLING PERSONS**

(if Representative is not an individual)

Representative hereby acknowledges that Representative is a: (Check one)

- Partnership
- Joint venture
- Corporation
- Or other business form

In accordance with the requirements of the Area Representative Agreement attached hereto, Representative hereby warrants and represents that the following persons, own either legally or beneficially, voting control of Representative:

Name	Percentage of Interest Owned
_____	_____
_____	_____
_____	_____

Representative hereby acknowledges that AmeriCare is relying on these representations as a material basis for entering into this Agreement, and that the information set forth above is true and correct.

**AREA REPRESENTATIVE(S)**

\_\_\_\_\_  
Witness

By: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_

\_\_\_\_\_  
Witness

By: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_

\_\_\_\_\_  
Witness

By: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_

**EXHIBIT C TO AREA REPRESENTATIVE AGREEMENT**

Year	Number sold and opened in the year	Total number open at the of the year
1		
2		
3		
4		
5		
6		
7		
8		
9		

**PERSONAL GUARANTY**

We, the undersigned, in order to induce AmeriCare (HHCI, LLC.), Inc. to enter into the within Area Representative Agreement, hereby, jointly and severally, personally guarantee performance of this Agreement in its entirety and specifically, but without limitation thereto, the monetary obligations of Representative hereunder, as if each of us were the Representative.

**GUARANTORS**

\_\_\_\_\_  
Witness

\_\_\_\_\_  
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**EXHIBIT D  
TO FRANCHISE DISCLOSURE DOCUMENT  
SCHEDULE OF STATE AGENCIES**

**California:**

**AGENT FOR SERVICE OF PROCESS AND ADMINISTRATOR**

Commissioner of Business Oversight  
Department of Business Oversight  
One Sansome Street, Suite 600  
San Francisco, CA 94104  
(866) 275-2677

**Hawaii:**

Department of Commerce & Consumer Affairs  
335 Merchant Street  
Honolulu, Hawaii 96813  
(808) 586-2722

**Illinois:**

Franchise Division  
Office of Attorney General  
500 South Second Street  
Springfield, Illinois 62706  
(217) 782-4465

**Indiana:**

**Agent:**

Indiana Secretary of State  
201 State House  
200 West Washington Street  
Indianapolis, Indiana 46204  
(317) 232-6681

**Administrator:**

Securities Commissioner  
Indiana Securities Division/Room E-111  
302 West Washington Street  
Indianapolis, Indiana 46204  
(317) 232-6681

**Maryland:**

**Agent for Service of Process**

Maryland Securities Commissioner  
200 St. Paul Place, 20th Floor  
Baltimore, Maryland 21202-2020  
(410) 576-7044

**Inquiries about Franchise Matters**

Office of Attorney General  
Division of Securities  
200 St. Paul Place  
Baltimore, Maryland 21202-2020  
(410) 576-7044

**Michigan:**

Franchise Administrator  
Consumer Protection Division  
Antitrust and Franchise Unit  
Michigan Dept. of Attorney General  
670 Law Building  
Lansing, Michigan 48913  
(517) 373-7117

**Minnesota:****Administrator**

Minnesota Dept. of Commerce  
85 7th Place East, Suite 280  
St. Paul, Minnesota 55101  
(612) 539-1500

**Agent For Service of Process**

Commissioner of Commerce  
85 7<sup>th</sup> Place East, Suite 280  
St Paul, Minnesota 55101  
(651) 539-1600

**New York:**

Bureau of Investor Protection & Securities  
New York State Dept. of Law  
21st Floor/28 Liberty Street  
New York, New York 10005  
(212)416-8211

**North Dakota:**

Office of Securities Commissioner  
Fifth Floor  
600 East Boulevard  
Bismarck, North Dakota 58505  
(701) 224-4712

**Rhode Island:**

Division of Securities  
Suite 232  
233 Richmond Street  
Providence, Rhode Island 02903  
(401) 277-3048

**South Dakota:**

Division of Securities  
c/o 118 West Capitol  
Pierre, South Dakota 57501  
(605) 773-4013

**Virginia:****Agent for Service of Process**

Clerk of the State Corporation Commission of Virginia  
1300 E. Main Street  
Richmond, Virginia 23219  
(804) 371-9051

**Inquiries about Franchise Matters**

Securities and Retail Franchising Division  
State Corporation Commission  
1300 East Main Street  
Richmond, Virginia 23219  
(804) 371-9051

**Washington:**

Dept. of Financial Institutions  
Securities Division  
P.O. Box 9033  
Olympia, Washington 98507-9033  
(206) 753-6928

**Wisconsin:**

Securities & Franchise Registration  
Wisconsin Securities Commission  
P.O. Box 1768  
Madison, Wisconsin 53701  
(608) 266-8559

**EXHIBIT E**  
**TO FRANCHISE DISCLOSURE DOCUMENT**  
**APPENDIX - STATE REGULATIONS**

**California State Law Appendix**

1. The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the offering circular.
2. Neither the franchisor, nor any person or franchise broker in Item 2 of the UFOC is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.
3. California Business and Professions Code 20000 through 20043 provides rights to the franchisee concerning termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.
4. The Area Representative 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.).
5. The Area Representative Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
6. Prospective franchisees are encourage to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
7. The Area Representative Agreement requires application of the laws of Georgia. This provision may not be enforceable under California law.
8. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.
9. You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).
10. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS

CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at [www.DBO.ca.gov](http://www.DBO.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.

### **Illinois State Law Appendix**

Illinois law governs the Area Representative Agreement.

The conditions under which your franchise can be terminated and your rights upon non-renewal are set forth in sections 19 and 20 of the Illinois Franchise 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.

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 of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

### **Minnesota State Law Appendix**

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

Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the 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.

Minn. Rule 2680.4400D prohibits a franchisor from requiring a franchisee to assent to a general release. The provision of the Franchise Agreement requiring the Franchisee to sign a general release as a condition for approval by the Franchisor of a transfer of the franchise by the Franchisee will not be enforced for a Minnesota franchisee.

The Franchisor will protect the franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rule 2860.4400J. A court will determine

if a bond is required.

The Limitation of Claims section must comply with Minnesota Statutes Section 80C.17, Subd. 5.

### **Virginia State Law Appendix**

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for AmeriCare, Inc., for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 17.h.

Pursuant to Section 13.1-654 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in a 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.

**EXHIBIT F**  
**TABLE OF CONTENTS FROM OPERATIONS MANUAL**

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## STATE EFFECTIVE DATES

The following states 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 Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

<b>STATE</b>	<b>EFFECTIVE DATE</b>
California	April 5, 2019
Hawaii	
Illinois	April 24, 2019
Indiana	June 7, 2019
Maryland	October 16, 2019
Michigan	November 26, 2019
Minnesota	June 10, 2019
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

**ITEM 23**  
**RECEIPT**

**THIS DISCLOSURE DOCUMENT SUMMARIZES CERTAIN PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY. IF HHCI, LLC INC OFFERS YOU A FRANCHISE, IT MUST PROVIDE THIS DISCLOSURE DOCUMENT TO YOU AT LEAST 14 CALENDAR DAYS BEFORE YOU SIGN A BINDING AGREEMENT WITH OR MAKE A PAYMENT TO THE FRANCHISOR OR AN AFFILIATE IN CONNECTION WITH THE PROPOSED FRANCHISE SALE.**

**IF HHCI, 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 AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C. 20580 AND THE STATE AGENCY LISTED ON EXHIBIT D.**

The date of issuance of this Disclosure Document is March 19, 2020.

Richard Houden and Anna Bradley serve as the franchise sellers for AmeriCare and can be reached at 404-310-2687, 1300 Parkwood Circle, Suite 100 Atlanta GA 30339.

I have received a copy of the Franchise Disclosure Document of HHCI, LLC dated March 19, 2020, including the list of Area Representatives as of December 31, 2019. (Exhibit "A"), the Franchisor's audited financial statements as of December 31, 2019, December 31, 2018 and December 31, 2017 (Exhibit "B"), the standard Area Representative Agreement (Exhibit "C"), List of State Agencies (Exhibit "D"), State Law Appendix (Exhibit E), and Table of Contents of the Operations Manual

Witness	Signature of Prospect
Date	Printed Name
	Address
	City, County, State & Zip

[Please sign and date this copy and retain it for your files]

**ITEM 23**  
**RECEIPT**

**THIS DISCLOSURE DOCUMENT SUMMARIZES CERTAIN PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY. IF HHCI, LLC INC OFFERS YOU A FRANCHISE, IT MUST PROVIDE THIS DISCLOSURE DOCUMENT TO YOU AT LEAST 14 CALENDAR DAYS BEFORE YOU SIGN A BINDING AGREEMENT WITH OR MAKE A PAYMENT TO THE FRANCHISOR OR AN AFFILIATE IN CONNECTION WITH THE PROPOSED FRANCHISE SALE.**

**IF HHCI, 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 AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C. 20580 AND THE STATE AGENCY LISTED ON EXHIBIT D.**

The date of issuance of this Franchise Disclosure Document is March 19, 2020.

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Witness	Signature of Prospect
Date	Printed Name
	Address
	City, County, State & Zip

[Please sign and date this copy and return it to HHCI, LLC.]