

FRANCHISE DISCLOSURE DOCUMENT



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The Franchisor is offering a Franchise for the operation of businesses under the name of "AmeriCare" and "AMLI Care", which will provide non-medical home care services.

The total investment necessary to begin operation of an AmeriCare franchise is between ~~\$156,149,168,254~~ and ~~\$196,949,207,854~~. This includes \$54,100,000 that must be paid to the franchisor and its affiliates.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in a different format, contact Richard Houden at 400 Interstate North Parkway, Suite 530, Atlanta, Georgia 30339, or at 404 310-2687. You may also contact him by email at 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 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 15, 2023~~ **April 20, 2025**

How to Use This Franchise Disclosure Document

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

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 a 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.
2. ~~**Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.~~
- 3.2. **Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise and loss of your investment.

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. We have never conducted business in any other line of business, or offered franchises in any other line of business.

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 individual franchises to operate a retail AmeriCare business described in this document and Area Representative franchises which grant to an area representative the right to solicit individual franchisees within a designated territory obligates the area representative to provide support services to those individual franchisees. 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, ~~2022~~2024, we had ~~3237~~ individual AmeriCare franchises ~~in operation~~ and ~~13110~~ Area Representative franchises. We do not offer franchises in any other lines of business other than the individual franchises described in this document and the Area Representative 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. Mr. Houden founded City Publications in 1998 and then began franchising the concept in 2004. Richard serves as President and has done so 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. 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. At AmeriCare, she manages the training program, oversees franchisees through the on-boarding process, and is responsible for growing the AmeriCare brand.

Area Representatives

In the states of Arizona, California, Colorado, Florida, Georgia, North Carolina and South Carolina, where we have an Area Representative, those people will have some management responsibility for training, supervising and assisting our franchisees. See Exhibit F to this Disclosure Document for the work background of our Area Representatives.

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

You are required to pay an initial Franchise Fee of \$~~4954~~,000 for a territory that has a population of approximately 200,000 to 220,000. We anticipate that the typical size would be in that range. To the extent that your territory exceeds 220,000, the fee increases pro rata by approximately 9 cents per person. If you are a franchisee in good standing and purchase a second franchise and territory, the fee for the second territory is \$40,000 and is \$30,000 if you purchase a third territory. In ~~2022~~2024, we sold franchises with three distinct ~~territories each and, applying the discount just described, those franchisees paid a Franchise fee of \$119,000. All franchisees~~ territory sizes. Franchises sold in ~~2024~~2022 were sold for ~~a range of between \$89,000 and \$119,000. The~~ This fee is fully due ~~Minnesota Department of Commerce requires that the Company defer the collection of all initial fees from franchisees in Minnesota until the Company has completed all its pre-opening obligations and the franchisee has opened its business payable when you sign your Franchise Agreement at least 14 days prior to training.~~ The initial franchise fee is expected to be uniform to all new franchisees in ~~2023~~2025 and is deemed fully earned by us and non-refundable upon receipt. You will also pay us \$~~300~~400 each month for national advertising, or a total of \$3,600 in the first year. In addition, we subscribe to an online portal that provides up to date legal and human resources information applicable to the home care industry. You make a \$~~1,500~~2,000 one-time payment to us before you open to give you full access to the portal. ~~These payments are non-refundable~~ After opening but within the first year of your operations, you will also pay to us \$1,500 for printed marketing materials.

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.

ITEM 6
OTHER FEES

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Royalty	You pay a 6% monthly franchise royalty of monthly gross revenue. The first 6 months of operation, the royalty is a flat fee of \$500 per month. (1)	Royalties are paid to us by credit card, debit card or bank draft, on the 15 th of each month for the royalties due for the prior month.	You will provide us with a weekly report on or before Tuesday of every week, showing your gross revenue for the prior week, using the business software.
National Advertising	We require you to contribute \$ 300 400 per	National Advertising fees are paid to us by	The National Advertising fee will

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
	month to the National Advertising Fund, commencing immediately after training.	credit card, debit card or bank draft, on the 15 th of each month.	commence immediately after training.
Local Advertising, Technology Fee, and Search engine optimization (SEO) Fee, Email hosting Fee	You are required to spend \$3,500,000 per month on local advertising and marketing, which includes a SEO and PPC expenses of at least of \$1,250 per month.	You spend this money in your territory every month. Technology and Search Engine Optimization fees due first of each month.	You will provide us with a monthly report on or before the 5 th of every month, showing how you spent your advertising money in your local area in the prior month. <u>Some of this amount is paid to AgingCare, a third-party lead generation company</u>
Technology charges <u>Search engine optimization (SEO) Fee and Pay Per Click (PPC) charge</u>	Technology fee: \$350 <u>SEO and PPC expenses of at least \$1,200 per month.</u> Website set up fee: \$1,250 one-time fee; Email hosting fee: \$49.99 fee for first four emails, then \$15.99 for each additional email	When invoiced	<u>These payments start at least three months before you open and may be higher depending on market conditions as determined by the third party digital provider.</u> Paid to third parties

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
<u>Monthly website fee</u> <u>Website and Email hosting</u>	<u>\$375</u> Website set up fee: <u>\$1,250 one-time fee and then \$349-\$499 per month</u> <u>Email hosting setup fee: \$49.99 fee, then \$30 per month per email</u>	<u>First of each month</u>	<u>Paid to third parties</u> <u>Third-party website vendor</u>
Audit	You do not pay for the cost of an audit	n/a	We do have the right to audit your books
<u>Domain name fee</u>	<u>\$25 per year</u>	<u>Annually after opening</u>	<u>Paid to us each year for each domain name associated with your business</u>
Training of additional people	\$500 for training of people beyond the initial two trained at no charge	When the trainees arrive for training	This only applies if we have already trained two people for you
Home Care Operations Platform	Per Wellsky Personal Care (currently \$240 per month + \$12 per client when over 10 clients)	First of each month	This is for Wellsky Personal Care software, which manages your scheduling and payroll, and is paid to a third party.
Hiring and Recruiting Service	Currently \$500 per month	First of each month	Hireology and other designated vendors
Caregiver Training	Minimum of \$160 per month	First of each month	Care Academy or other designated vendor
Assignment/ Transfer Fee	\$25,000	Prior to transfer	Due if you sell

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Renewal Fee	\$1,000	Anniversary Date	10-year term, with two, 10 year renewal terms
Interest	15% per annum	Due if other payments are not made when due	Interest accrues until the entire past due amount is paid in full
Late Fees	\$50	Due if a payment to us is not made when due	The late fee is due for each missed payment
Indemnification	The full amount of any claims asserted against us arising out of your franchised business	Due whenever anyone asserts a claim against us arising from your business	The only exclusion is for claims arising out of your proper use of our proprietary marks
Replacement of lost Operations Manual	\$500	Due if you lose the manual	You must maintain a current copy of our operations manual at all times
Convention Fee	\$600 registration fee	Prior to attending national convention	If we have a national convention, attendance will be mandatory, and the registration fee is required to be paid prior to arrival

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

1. Gross Revenues means all revenue of any kind received by the franchised business, excluding only sales taxes. The flat fee royalty of \$500 per month for the first six months applies only to newly opened franchised businesses, not to transferred franchises. In addition, and regardless of your monthly gross revenues, there is a minimum monthly royalty of \$3,000 your first year of operation, \$4,000 for your second, \$6,000 in your third, \$10,000 for your fourth, and then the figure goes up by 5% each year after that. If you fail to pay the minimum, we can terminate your agreement.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee	\$ 4954 ,000 (1)	Lump Sum	When we have completed all of our pre-opening obligations to you and you have opened your franchised business. When you sign your Franchise Agreement	Franchisor, in the form of a cashier's check.
Equipment & Furniture	\$ 0-\$3,000 (2)	Lump Sum	As Incurred	Suppliers
Inventory	\$0	Not applicable	Not applicable	There is no inventory purchase
National Advertising	\$3,600 <u>4,800</u>	\$300 <u>400</u> per month	First of each month	Us.
Local Advertising (11)	\$42,000	\$3,000 per month	You spend this each month	Third parties
Insurance	\$5,500 to \$8,000 (includes \$5,500 for annual liability insurance <u>(3)</u>)	Lump Sum	Yearly	Suppliers
Professional Fees	\$ 250-\$2,000	Lump Sum	As Incurred	Lawyers, accountants
License provider (9)	\$599	Lump Sum	As Incurred	Preferred vendor, or other third party provider
State licensing (9)	\$200-\$2,000	Lump Sum	As Incurred	State licensing authority
Security Deposit for Landlord	\$1,500 to \$2,000 (4)	Lump Sum	As Incurred	Suppliers
Rent and Leasehold	\$6,000 to \$9,000	Monthly installments in	Monthly	Landlord

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
improvements		first year		
Training Expenses	\$ 200-1,500 (5)	Lump Sum	As Incurred	Suppliers
Office Supplies	\$900-1,200 (6)	Lump Sum	After Franchise Training	Suppliers
Car logo (10)	\$200-\$1,500	Lump Sum	As incurred	Supplier
Home care operations platform	\$2,880	Monthly	Monthly	Wellsky Personal Care
HR Legal portal (12)	\$1,500 <u>\$2,000 up front, then \$200 annually</u>	Lump Sum	Before Opening <u>and then annually</u>	Us
Website setup	\$1,250	Lump sum	Upon Signing	Designated third party vendor
Recurring website fee	\$4,500	Monthly installments in first year	Monthly	Designated third party vendor
Hiring and recruiting service	\$6,000	Monthly installments in first year	Monthly	Hireology and other designated vendors
Caregiver Training	\$1,920	Monthly installments in first year	Monthly	Care Academy or other designated vendor
Software	\$ 2,880 <u>(7)</u>	Monthly installments in first year	Monthly installments	Suppliers
<u>Domain Name</u>	<u>\$25</u>	<u>Annually</u>	<u>Annually after opening</u>	<u>Us</u>
<u>Additional coaching by industry expert</u>	<u>\$1,000 (13)</u>	<u>Lump sum</u>	<u>Before opening</u>	<u>To third party industry expert</u>
Additional Funds – initial period of one year after you get your license	\$28,150- 52,300 (8)	Lump Sum	Spent in first year after you get your state license	Employees, Suppliers, Etc.
	<u>\$1,500</u>	<u>Lump sum one</u>	<u>Before you open</u>	<u>Us</u>

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
<u>Printed Marketing Material</u>		<u>time</u>		
Total Estimated Initial Investment	\$ <u>156,149,168,254</u> to \$ <u>196,949,207,854</u>			

Note 1: The figures in this chart are based on an initial franchise fee of \$4954,000.

Note 2: Equipment for this business will include a phone, fax, copier, computer and digital camera. Some franchisees already have these items and spend nothing additional on them

Note 3: The expenditure for insurance includes the premiums for professional liability/malpractice, general liability, fidelity bonding coverage, sexual misconduct rider and non-hired auto. Workers compensation insurance will not be necessary in some states. In states where it is required the rate is set by the state and this will be an additional policy with a separate charge. You are responsible for following all federal, state and local regulations regarding workers compensation insurance as well as the treatment of caregivers as employees for insurance and tax purposes. All policies must name us as an additional insured.

Note 4: You are required to have an office not located in your home, regardless of what your state regulations may say. You will need prior approval from AmeriCare on your office location. We strongly recommend that your office space be on the ground floor with visible signage from the street. 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. If you operate out of your home, you will not have a security deposit. The figure for rent and leasehold improvements contemplates rental of an executive suite, where there typically would not be any leasehold improvement costs, and rent would be in the range of \$500 to \$750 each month.

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

Note 6: This estimated 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. This includes identification for all staff in the form of name badges or uniforms with our logo, none of which is purchased from us.

Note 7: The software expense is for a license to use Wellsky Personal Care business software program. This is required. Wellsky Personal Care will be licensed from a third party vendor. The \$240 fee ~~per month~~ is paid monthly, plus and includes \$12 per client/per month after the first ten clients. Wellsky Personal Care pricing is subject to change at their discretion.

Note 8: The estimate for additional funds anticipates a period of one year from the time you get your state license to open and build up the business. We base this estimate on

the nearly nine years of experience that our Predecessor had in franchising the AmeriCare concept, and our experience with the concept after we acquired the business in August, 2013,

Note 9: Laws on licensing of your business vary from state to state. In addition to the fee paid to the state for the license, we also require you to use the services of Quality of Life Enterprises, an unrelated third party, or some other similar provider that we approve, to help you through the process of obtaining your state license(s).

Note 10: You are required to have a minimum of one vehicle with logoed signage in the form of 2-door magnetic signage or a full vehicle wrap.

Note 11: You are required to spend at least \$3,000 each month on local advertising. Included within that expenditure is our designated lead generation vendor, currently AgingCare.com. You must also use some of this money with our designated search engine optimization vendor, with a minimum investment each month of \$500 each month. You must use the website provided by our approved vendor.

Note 12: We subscribe to an online portal that provides up to date legal and human resources information applicable to the home care industry. You make this one-time payment to us before you open to give you full access to the portal.

Note 13: In addition to the training that we provide to you at no charge to you, we also arrange for you to have one on one coaching by an industry expert. You pay the fee for that directly to the third party.

Except as described in this item and in items 5 and 6 above, there are no other direct or indirect payments in conjunction with the purchase of the franchise. The payments described in this item 7 are not refundable. Neither we nor any affiliate of ours provides any financing of any of the Estimated Initial Investment.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You are not required to purchase or lease any goods, services, supplies, fixtures, equipment, inventory or real estate from us ~~or our designees.~~ You are permitted to purchase all items needed in your business from any source with the exception of WellSky Personal Care business software which must be purchased from WellSky Personal Care, and a leads marketing system with AgingCare which is included in your \$3,000 marketing expense. As a result, you will be paying an ongoing yearly licensing fee to WellSky Personal Care. ~~No portion (Approximately (5%) of your opening or ongoing expenses are paid to us, nor are any of such for these purchases or leases made from approved or these designated suppliers, nor are they made based on any specifications from us. and approximately (10) of your ongoing purchases or leases made from designated vendors.~~ No portion of our ~~2022~~2024 income or that of our Predecessor or any of our Area Representatives came as a result of purchases of goods or services by our franchisees. There are no suppliers in which any of our officers or directors has an ownership interest. We do not have a purchasing or distribution cooperative.

Although you are not required to purchase or lease any items from approved suppliers you are required to purchase all collateral pieces, including stationary and brochures in accordance with our specifications. We will provide you with those specifications. We do not have any criteria for approving suppliers. As there are no approved suppliers, we have no purchasing arrangements with any suppliers and we receive no payments from any

suppliers. You will not receive any material benefit for using any suppliers that we might suggest, since we do not suggest suppliers.

You must procure and maintain during the term of the Franchise Agreement public liability insurance, fidelity bonding coverage, workers' compensation insurance, unemployment compensation insurance, comprehensive general liability insurance, including personal injury, bodily injury and products liability insurance, and any other forms of insurance which we may determine are reasonably necessary for you to procure in order to protect and enhance the image and value of the AmeriCare business. You will procure coverage in reasonable amounts and having the deductibles from time to time specified by us either in the Operations Manual or in other written directives, and to procure such insurance from insurance companies which are reputable and credit worthy and in good standing with the Insurance Commissioner in the state or states in which you are located.

Our current requirements as the following:

1. Commercial general liability insurance, including bodily injury, property damage, personal injury, products and completed operations liability coverage with a combined single limit of not less than \$1,000,000 (\$3,000,000 in aggregate);
2. Worker's compensation and employer's liability to meet statutory requirements of your state(s) of operation. You shall maintain Worker's Compensation and employers' liability insurance coverages even if not mandated by state law;
3. Commercial property insurance written on a special cause of loss at replacement value;
4. Automobile liability insurance for all owned, non-owned and hired automobiles with a single limit coverage of not less than \$ 1,000,000;
5. An umbrella or excess liability policy in the amount of not less than \$1,000,000
6. Professional liability insurance with a combined single limit of not less than \$1,000,000 (\$3,000,000 in aggregate) including sexual molestation and abuse with a minimum sub-limit of \$250,000;
7. Third-party liability bond with a minimum per-occurrence limit of \$25,000;
8. Business interruption insurance;

All such policies of insurance shall name us as an additional named insured and shall contain an endorsement requiring the insured to give us thirty (30) days advanced written notice before any termination or cancellation of such policy shall be effective, which notice shall specify the reason for the pending termination or cancellation. You are obligated to deliver certificates of all insurance to us. You will also be responsible for following all federal, state and local regulations regarding workers compensation insurance.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

OBLIGATION	SECTION IN FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition of lease	Item III of the Franchise Agreement	Items 7 and 11
b. Pre-opening purchases and leases	No Provision	Items 6, 7 & 10
c. Site development and other pre-opening requirements	Item III of the Franchise Agreement	Items 6, 7 & 11
d. Initial and ongoing training	Items IV and VII of the Franchise Agreement	Item 11
e. Opening	Item 1 of the Franchise Agreement	Item 11
f. Fees	Item VI of the Franchise Agreement	Items 5, 6 & 11
g. Compliance with standards & policies/ Operating Manual	Item V of the Franchise Agreement	Item 11
h. Trademarks and proprietary information	Item XIII of the Franchise Agreement	Items 13 & 14
i. Restrictions on products/services offered	Item V of the Franchise Agreement	Items 8 & 16
j. Warranty and customer service requirements	No provision	
k. Territorial development and sales quotas	No Provision	Item 12
l. Ongoing product /service purchases	Item X and XI of the Franchise Agreement	Item 8 & 16
m. Maintenance, appearance and remodeling requirements	No provision	None
n. Insurance	Item XII of the Franchise Agreement	Item 7

OBLIGATION	SECTION IN FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
o. Advertising	Item IX of the Franchise Agreement	Items 1 & 11
p. Indemnification	Item IX of the Franchise Agreement	Item 13
q. Owner's participation/ management/staffing	No provision	Item 15
r. Records/reports	Item XI of the Franchise Agreement	Items 6 & 11
s. Inspections/ audits	Item XI of the Franchise Agreement	Item 6
t. Transfer	Item XIV of the Franchise Agreement	Item 17
u. Renewal	Item II of the Franchise Agreement	Item 17
v. Post-termination obligations	Item XV of the Franchise Agreement	Item 17
w. Non-competition covenants	Item XVI of the Franchise Agreement	Item 17
x. Dispute resolution	No provision	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, AmeriCare is not required to provide you with any assistance.

A. Pre-opening obligations include:

- (1) We provide you with a copy of our Pre-Training Manual (Franchise Agreement Section 4.b).
- (2) We provide pre-opening training for you (Franchise Agreement - Section 4.a).

B. Our Obligations After Opening:

The Franchise Agreement obligates us to provide the following forms of assistance:

(1) Develop, at our discretion and whenever possible, promotional programs and sales campaigns which shall be sent to you to assist you in selling and promoting your AmeriCare business. (Franchise Agreement – Section 4.c).

(2) Perform ongoing supervisory services, rendered by personal visits or telephone, or by newsletters or bulletins, as we may deem necessary or appropriate. (Franchise Agreement – Section 4.d).

(3) Perform additional services as we may hereafter develop and offer to our franchisees. (Franchise Agreement – Section 4.e). We do not provide any assistance in the hiring of your employees.

We do not assist by providing you with equipment, sign, fixtures, initial inventory or supplies. In addition, we do not set or control the prices that you charge, either minimum, maximum or other prices. We consult with you on prices, but you set your own prices.

C. Advertising: We require you to spend ~~\$3,000~~1,800.00 per month in promoting your business in your market. You must provide us with a monthly report on or before the 5th of every month, verifying that you have complied with this provision for the month prior. You may use your own advertising materials, as long as we have approved those materials in advance of their use. All advertising that you do must have a tracking number that we have access to, so that we can monitor the effectiveness of your advertising. You are not allowed to have your own website, but rather we will host your webpage on our site, at no charge to you. We do not have the power to establish any sort of advertising cooperatives, or to modify or in any way affect them if you and other franchisees were to form one. The \$3,000 each month includes the search engine optimization fee from our designated third-party vendor, which is billed to the franchisee at a rate of \$500.00 per month. ~~In addition, you are required to pay to our designated website vendor a technology fee at a rate of \$350.00 per month, plus a \$1,250.00 initial local set up fee.~~ Both of these fees are paid directly to the vendor and are in addition to the monthly local advertising expenditure. You are required to use our designated lead

generation vendor, currently AgingCare, and your expenditures with them are included in the monthly local advertising requirement. There will be no regional or local advertising cooperatives.

We also require you to pay \$~~300~~400.00 per month to our national advertising program. (See Item 6) You will pay your advertising fee at the same time and by the same method that you pay your royalty. The advertising fee begins immediately after training, regardless if no income has been generated for royalties. The fund is administered by us, and maintained in a separate bank account. We will provide you with a copy of an annual financial statement on the fund, and the financial statement will be unaudited. Any money paid into the fund in one year and not spent in that year would be carried forward to the next year. If we have company owned offices, those offices would contribute on the same basis as franchised offices. The advertising will include internet advertising, email, direct mail and magazine advertising. It will be regional and national in scope and a substantial part of it will be targeted to the territories of our franchisees. We do not, however, guaranty that any given percentage will be spent in your territory. We may use outside advertising agencies, but anticipate that most of the work will be done in-house, by our own staff. In ~~2022~~2023 all of our advertising funds we spent on the design, printing and mailing of direct mail pieces soliciting customers for our franchisees-, plus digital advertising. There were to expenditures for administrative expenses or media placement. All funds collected in ~~2023~~2022 were spent in that year. None was spent soliciting new franchisees. We are not obligated to spend any amount of money on advertising in your territory, whether from the advertising fund or otherwise, but the media buys are typically placed in the territory of a franchisee based on the amount of advertising fund contributions buy that franchisee.

This fund will be used partly for creative work, such as the preparation of advertising materials that would then be made available for you to use in your market. We would use some of the money for public relations, generating press releases in national trade publications. Some of the money might well be used for web advertising, billboards and print advertising. We anticipate that we would use some of the fund, perhaps as much as 25%, to market the sale of more franchises, in an effort to increase brand recognition and market penetration. We anticipate creating an advisory advertising council, consisting of both franchisee representatives and members of our staff. Such a council will be advisory only, and we will make final decisions regarding the fund. Members will be selected by us and may be removed by us.

D. Computer Purchases. We require a personal computer (lap top computer preferred) and the purchase of a business software license from Wellsky Personal Care, 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 Wellsky Personal Care Software program. Wellsky Personal Care Software is 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 Wellsky Personal Care 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 Wellsky Personal Care 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. 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.

E. Operations Manual. 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 in our discretion. See Exhibit G for the table of contents of our 194 page Operations Manual.

F. Site Location. An office location can be established through arrangement with executive suites, which rent out offices and conference facilities on a part-time and full-time basis. The office location will require prior approval HHCI, LLC. We will have ten days to approve your site, after you present it to us. Because this is not a site driven business, our main concern will be that your office is in a reputable location, easily accessible and preferably close to mass transit, since your caregivers will be coming to the office. There is no provision in the Franchise Agreement dealing with the possibility of our not securing a site that we approve, but If we cannot agree on a site, and you do not open your franchised business within 60 days after completing your training, we can terminate your Agreement, with no refund of your initial franchise fee.

G. Initial Training. The three-day initial training program will occur within 30 days after signing your franchise agreement, and you will be trained on the subjects of the franchise business listed on the schedule below.

Training will be directed by Richard Houden, Nives Stanetti, and Carol Quinn, all of whom have been with us since our formation in 2013, and Anna Bradley, who joined 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. If you are in a state for which there is an Area Representative, that Representative will direct your training and will handle most if not all of it. In some cases, depending on where you are located, we may ask one of our Area Representatives to handle your training, even though you are not in their assigned state. 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 Franchise Agreement, we may offer additional training courses to you during the term of the Franchise 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. If we hold a national convention, you are required to attend and you will have to pay a registration fee of at least \$600. Our Operations Manual serves as the instructional material for the training program. In addition to the training described in the Item, we also require you to complete soft skills and administrator training through CareAcademy, an unaffiliated third party.

The initial training program takes place as soon as possible after execution of the Franchise Agreement, and must be completed within one month after signing the franchise agreement. Training takes place in Atlanta, unless you are in a territory where we have an area representative, in which case it will be in that territory, as designated by the Area Representative. The people trained would be the franchise owner and the operator, if that is a different person. In addition to the training shown below, we also will send a person to work with you in your area for three days to make sales calls to referral sources. 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 primary factor that might affect the time period after signing and opening is any licensing requirements and any home healthcare credentialing of your state. The three days of franchisee training is expected to consist of the following:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of on the Job Training	Location
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
Total ; <u>Total</u>	24	0	

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~~We are not responsible for training your staff and employees.

ITEM 12 **TERRITORY**

We grant exclusive territories, and in major metropolitan statistical areas, these will typically contain about 200,000 to 220,000 in population, ~~and we always strive to establish. We reserve the right to award territories with a smaller total population if at least 30,000 people over 18% of the age of general population is 65. We and older, plus we~~ reserve the right to charge a larger initial franchise fee if you want a territory with more people or people over 65 years of age. Factors we utilize in determining the number of offices in major metropolitan statistical areas include, without limitation, population, current billable hours generated in the territory, and competition. You can relocate your office at any time without our prior approval, as long as you notify us and your new office is inside your territory. You do not have any rights to obtain additional territories. Territories are generally defined by zip codes. We have, in the past, generally defined territories by counties. If your territory includes a zip code that spills over into a county that has been assigned to another franchisee, you are not allowed to serve customers in the part of the zip code located in the county assigned to the other franchisee.

You may not, without our prior written consent, market or solicit the Services outside the Territory. We may have granted, or may in the future grant, franchises for the operation of other AmeriCare businesses outside your Territory on terms we, in our sole discretion, deem appropriate, and which may be different from those in your Franchise Agreement.

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 are not obligated to pay you any compensation for soliciting or accepting orders from inside your territory.

Continuation of your franchise and your rights in the territory are granted in consideration of your payment of royalties as described in the Franchise Agreement and is further contingent upon your achieving a minimum royalty level, which is \$3,000 in the first year, \$4,000 in the second, \$6,000 in the third, \$10,000 in the fourth, then an increase of 5% each year thereafter. If you get to the end of the year and have not met the goal, you have 15 days to pay to us the amount of the shortfall. In addition, you have to meet performance criteria, which is that you must reach 20 active clients by the end of your first year in operation, 30 by the end of year two, 40 by the end of year three, and 40 active clients each year after that. Failure to achieve these targets can result in the termination of your Franchise Agreement or the termination of your exclusive territorial rights. If you fail to achieve the target or pay the shortfall, we have the right to reduce your franchise territory.

Neither we nor any affiliate of ours has any plans to operate or conduct a business similar to the one being offered in this Franchise Disclosure Document. —

ITEM 13

TRADEMARKS

In consideration of your payment of royalties as described in this disclosure document, we grant to you the non-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. This registration was 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, on the Principal Register.

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 abovementioned trademark, service mark, trade name, logotype or other commercial symbol in any manner material to the operation of a franchise.

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 have added the AMLICare mark to the franchise system.

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. We have the right under the Franchise Agreement to allow us to modify or discontinue the marks that we license to you.

Our confidential information includes the services, technologies and procedures relating to the operation of your franchised business, including our manuals, customer records, methods of advertising and finding employees and instructional materials.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any patents, or pending patent applications, or copyrights which are material to the operation of the franchise except our unregistered copyright of the Operations/Training Manual. We may provide you with lists of potential customers, and we claim proprietary rights to such information, which you may not use except in connection with your franchised business.

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

We recommend, and may require, that you personally supervise the franchise business. If you do not personally supervise the business, you or your corporation, partnership or limited liability company must employ a manager who must be responsible for the full-time on-premises supervision of the business and the manager must successfully completed the AmeriCare initial training program. There is no requirement that the on-premises manager own an equity interest in the franchised business.

The Franchise 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 Franchise Agreement requires you to cause every employee actively involved in the management of the business to sign a confidentiality agreement in a form provided or approved by us. If the Franchisee is not an individual, there will be personal guaranties required, but there is no separate non-competition or non-disclosure agreement required, beyond what is included in the Franchise Agreement itself. The personal guaranty must be signed by the principal owner(s) of the franchise, if the franchisee is not an individual.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may offer only those services approved by us from time to time, as specified in our operations manual and other written communications with our franchisees. We can change the approved services from time to time, and there are no limitations on our ability to do so.

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.

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
a. Length of the franchise term	Item II	10 years
b. Renewal or extension of the term	Item II	If you are in good standing, you can renew for two (2) 5 year terms
c. Requirements for you to renew or extend	Item II	Give written notice, be in compliance with your current Agreement, Then sign the current form of agreement. Your new agreement may have materially different terms and conditions than your original contract, but the boundaries of your territory will remain the same. The royalty and other fees may be different than your original agreement but will not be any greater than the fees we charge similarly situated renewing franchisees.
d. Termination by you	None	No express right, but you may terminate on any grounds permitted by applicable state law
e. Termination by us without cause		Not permitted
f. Termination by us with cause	Item XV	We can terminate if you default

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
g. "Cause" defined-curable defaults	Item XV	Curable defaults: failure to pay any fees, breach of Franchise Agreement, cessation of business
h. "Cause" defined-non-curable defaults	Item XV	Violation of non-compete provisions, misrepresentations in entering into Agreement, filing bankruptcy petition, sale of business without consent,
i. Your obligations on termination/non-renewal	Item XV	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. Transfer by you-definition	Item XIV	Only with our prior approval
l. Our approval of transfer by you	Item XIV	We have the right to approve all assignments
m. Conditions for our approval of transfer	Item XIV	You are in compliance with 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 XIV	Right of first refusal is reserved by us
o. Our option to purchase your business	Item XV	We have the right to purchase your inventory and equipment, assume your lease and phone number, and utilize your customer list
p. Your death or disability	Item XIV	You have time to sell the business to an approved buyer
q. Non-competition covenant during the term of the franchise	Item XVI	No involvement in a similar business within your territory

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
r. Non-competition covenants after the franchise is terminated or expires	Item XVI	No involvement in a similar business within the territory for 1 year after term
s. Modification of the agreement	Item XVIII	No modifications generally unless agreed to in writing by both parties
t. Integration/merger clause	Item XVIII	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside the disclosure document and franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Item XVIII	Mandatory mediation and arbitration in Atlanta, Georgia (subject to applicable state law)
v. Choice of forum	Item XVIII	All actions must be brought in the State of Georgia. Subject to applicable state law.
w. Choice of law	Item XVIII	Georgia law governs. Subject to applicable 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 520 Atlanta GA 30339 404-310-2687, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION
SYSTEMWIDE OUTLET SUMMARY
For Years ~~2020~~2022 to ~~2022~~2024

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2020 2022	4825	4232	-2+7
	2023 2024	4632	2536	+94
	2024 2022	2536	3237	+71
Company Owned	2020 2022	0	0	0
	2024 2023	0	0	0
	2024 2022	0	0	0
Total Outlets	2020 2022	4825	4232	-2+7
	2024 2023	4632	2534	+94
	2024 2022	2536	3237	+71

Table No. 2
Transfers of Outlets from Franchisees to New Owners (Other than the Franchisor)
For Years ~~2020~~2022 to ~~2024~~2022

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Georgia	2020 2022	0
	2024 2023	0
	2024 2022	0
Totals	2021 2020	0
	2024 2023	0
	2024 2022	0

Table No. 3
Status of Franchised Outlets
For Years ~~2020~~2022 to ~~2024~~2022

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
Alabama Ariz ena	2022 2020	60	0	0	0	0	30	30
	2024 2023	30	31	0	0	0	40	51
	2024 2022	51	0	0	0	0	0	51
Arizona Calife nia	2022 2020	35	30	0	0	0	40	5
	2024 2023	5	40	0	20	0	0	45
	2024	5	0	0	0	0	0	5
<u>California</u>	2022	4	0	0	0	0	0	4
	2023	4	1	0	0	0	0	5
	2024	5	1	0	0	0	1	5
Colorado	2022 2020	1	0	0	0	0	01	40
	2024 2023	40	01	0	0	0	0	1
	2024 2022	1	0	0	0	0	40	01
Florida	2020 2022	1	03	01	0	0	0	43
	2024 2023	43	0	0	0	0	0	43
	2024 2022	43	3	40	0	0	0	36
Georgia	2022 2020	20	01	0	0	0	0	21
	2024 2023	21	0	0	20	0	0	01
	2024 2022	01	40	0	0	0	0	1
Maryland	2022 2020	01	0	0	0	0	0	01
	2024 2023	01	40	0	0	0	0	1
	2024	1	0	0	0	0	0	1
<u>Minnesota</u>	2022	40	0	0	0	0	0	40

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
	<u>2023</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
North Carolina	2020 <u>2022</u>	<u>21</u>	0	0	0	0	<u>40</u>	1
	2021 <u>2023</u>	1	0	0	0	0	0	1
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>Oregon</u>	2022	<u>40</u>	0	0	0	0	0	<u>40</u>
<u>Ohio</u>	2020 <u>2023</u>	<u>40</u>	<u>01</u>	0	0	0	<u>40</u>	<u>01</u>
	2021 <u>2024</u>	<u>01</u>	0	0	0	0	0	<u>01</u>
	2022	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Pennsylvania	2022 <u>2020</u>	1	<u>03</u>	0	0	0	<u>01</u>	<u>43</u>
	2021 <u>2023</u>	<u>43</u>	0	0	0	0	<u>01</u>	<u>43</u>
	2022 <u>2024</u>	<u>43</u>	<u>30</u>	0	0	0	<u>43</u>	<u>30</u>
South Carolina	2022 <u>2020</u>	<u>01</u>	<u>40</u>	0	0	0	0	1
	2021 <u>2023</u>	1	0	0	0	0	0	1
	2024 <u>2022</u>	1	<u>02</u>	0	0	0	0	<u>43</u>
Texas	2022 <u>2020</u>	<u>49</u>	<u>40</u>	0	0	0	<u>40</u>	<u>49</u>
	2021 <u>2023</u>	<u>49</u>	<u>80</u>	<u>01</u>	0	0	0	<u>98</u>
	2024 <u>2022</u>	<u>98</u>	0	<u>01</u>	0	0	0	9
Virginia	2022 <u>2020</u>	<u>01</u>	<u>03</u>	0	0	0	0	<u>04</u>
	<u>2021</u>	<u>0</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
	2022	<u>44</u>	<u>30</u>	0	0	0	0	4
<u>Total</u>	<u>2020</u>	<u>48</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>	<u>46</u>
	2021 <u>2024</u>	<u>164</u>	<u>141</u>	0	<u>40</u>	0	<u>43</u>	<u>252</u>
<u>Total</u>	2022	25	10	0	1	0	2	32
	<u>2023</u>	<u>32</u>	<u>5</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>36</u>
	<u>2024</u>	<u>36</u>	<u>8</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>	<u>37</u>

Table No. 4
Status of Company-Owned Outlets
For Years 20202022 to 20222024

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
Georgia	2022 2020	0	0	0	0	0	0
	2024 2023	0	0	0	0	0	0
	2022 2024	0	0	0	0	0	0
Total	2022 2020	0	0	0	0	0	0
	2024 2023	0	0	0	0	0	0
	2022 2024	0	0	0	0	0	0

Table No. 5
Projected Openings as of December 31, ~~2022~~2024

Column 1 State	Column 2 Franchise Agreements Signed but Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Current Fiscal Year
California	0	4	0
Florida	0	2	0
Georgia	0	4	0
Total	0	10	0

Exhibit A contains a list of our currently operating Franchisees. 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 franchisee who had an outlet terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise 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

Attached as Exhibit B to this Disclosure Document our audited financial statements as of December 31, ~~2022~~2024, December 31, ~~2021~~2023 and December 31, ~~2020~~. Also

included in ~~Exhibit B~~ are our interim unaudited financial statements as of November 30, ~~2023~~2022. Our fiscal year ends on December 31 of each year.

ITEM 22
CONTRACTS

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

ITEM 23
RECEIPT

You will find a detachable receipt at the last two pages of this Disclosure Document.

EXHIBIT A
TO FRANCHISE DISCLOSURE DOCUMENT
LIST OF FRANCHISEES AS OF DECEMBER 31, ~~2022~~2024

ALABAMA

Mike and Amanda Neuendorf
3125 Independence Drive, Suite 116
Homewood, Al 35209
(205) 538-5030

ARIZONA

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

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

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

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

Matt Kafora*
215 W. Giaconda Way, #131
Tucson, AZ 85704
602-953-7779

CALIFORNIA

Jonathan Brimley
7755 Center Avenue, Suite 1100
Huntington Beach, CA 92647
(657) 571-1057

Steve Levy
16360 Monterey Rd, Suite 250
Morgan Hill, CA 95037
Phone: (669) 258-5353

Ankit Pandya
720 Grasshopper Avenue
Newark, CA 94560
(408) 218-1604
Kevin Rasmussen*
San Francisco, CA
415-484-2727

Kevin Rasmussen
Vacaville, CA
415-484-2727

COLORADO

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~~Michel Kerdiles*~~
~~Orange County, CA~~
~~714-844-6323~~

~~Steve Levy~~
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~~Morgan Hill, CA 95037~~
~~Phone: (669) 258-5353~~

FLORIDA

Erica Giraldo
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(919) 537-2997
*License Pending***

Elias Barrios
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Dunedin Florida 34698
(919) 537-2997
*License Pending***

Elias Barrios
1692 Winding Creek Road
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919) 537-2997
*License Pending***

Amanda Neuendorf
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Sharri Hall
10347C Cross Creek Blvd, Suite C-1

Tampa, FL 33647
(813) 921-4801

Tiffany Bell
10347C Cross Creek Blvd, Suite C-1
Tampa, FL 33647
(813) 921-4801

GEORGIA

Eric Johnson* (Pilot Unit)
223 West Jackson Street
Thomasville Georgia 31792
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*License Pending^{***}*

MARYLAND

Steven and Tara Blahut*
Central Maryland
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NORTH CAROLINA

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OREGON

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Pleasant Hill, OR 97455
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PENNSYLVANIA

~~Nayli Russo Long** (Pilot Unit)~~
~~2400 Ancys Drive, Suite 102~~
~~Canonsburg Pennsylvania 13517~~
~~(412) 730 3334~~
~~License Pending*~~

~~Nayli Russo Long~~
~~2400 Ancys Drive, Suite 102~~
~~Canonsburg Pennsylvania 13517~~
~~(412) 730 3334~~
~~License Pending*~~

~~Shawn Long
2400 Ansys Drive, Suite 102
Canonsburg Pennsylvania 13517
(412) 730-3334
License Pending*~~

SOUTH CAROLINA

Carl and Rachael Hammond
316 Daylily Drive
Lexington, SC 29072
803-876-8205

Brent Foster
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Lexington SC 29072

Chris Romick
518 East Main Street, #6
Lexington SC 29072
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TEXAS

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Austin Area
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Clayton Smith
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Cleburne TX 76033

Dr. Rohith Saravanan*
Dallas Area
(646) 512-2711

Marty Baylor*
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9800 Hillwood Parkway, Suite 140
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Marty Baylor
Clayton Smith
(Keller)
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Fort Worth, TX 76177
Phone: (817) 382-0864

Marty Baylor
Clayton Smith
(Kennedale)

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Marty Baylor
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(Mansfield)
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~~Dr. Rohith Saravanan*~~
~~Dallas Area~~
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~~Stephen Warner~~
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~~Dallas, TX 75206~~
~~Phone: (214) 237-4065~~

~~Steve Norris~~
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~~Henrico, VA 23229~~
~~(804) 584-7251~~

~~VIRGINIA~~
Brannon Howle*
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Midlothian, VA 23113
804-584-7251

~~Mark Sherwin~~
~~10696 Oakton Ridge Court~~
~~Oakton Virginia 22124~~
~~(571) 213-7324~~

~~Mark Sherwin~~
~~10696 Oakton Ridge Court~~
~~Oakton Virginia 22124~~
~~(571) 213-7324~~

~~Mark Sherwin
10696 Oakton Ridge Court
Oakton Virginia 22124
(571) 213-7324~~

**

* Indicates pilot operations run by the Area Representative

** Indicates the franchised business was not open at 12/31/~~2022~~2024 because the application for the required state license was still pending at that point.

LIST OF AREA REPRESENTATIVES AS OF DECEMBER 31, ~~2022~~2024

ARIZONA

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

Matt Kafora
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Tucson, AZ 85704
602-953-7779

CALIFORNIA

Kevin Rasmussen
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~~Michel Kordiles
Orange County, CA
714-844-6323~~

GEORGIA

Eric Johnson
223 West Jackson Street
Thomasville, GA 31792
(229) 977-5819

MARYLAND

Steven and Tara Blahut
Central Maryland
410-404-5978

NORTH CAROLINA

Wayne and Sue Wampler
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PENNSYLVANIA

~~Nayli Russo-Long~~

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Canonsburg, PA 15317
(412) 730-3334~~

Dr. Shawn Long
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SOUTH CAROLINA

Wayne and Sue Wampler
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Fort Worth, TX 76177
Phone: (817) 382-0864

Dr. Rohith Saravanan
(Austin, Dallas, San Antonio)
(646) 512-2711

VIRGINIA

Brannon Howle
14321 Winter Breeze Drive, Ste 54
Midlothian, VA 23113
804-584-7251

FRANCHISEES WHO LEFT THE SYSTEM IN 20222024

CALIFORNIA

Michel Kerdiles*
Orange County, CA
714-844-6323

PENNSYLVANIA

Nayli Russo-Long** (Pilot Unit)
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Canonsburg Pennsylvania 13517
(412) 730-3334
License Pending**

Nayli Russo-Long
2400 Ansys Drive, Suite 102
Canonsburg Pennsylvania 13517
(412) 730-3334
License Pending**

Shawn Long
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Canonsburg Pennsylvania 13517
(412) 730-3334
License Pending**

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Mark Sherwin
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COLORADO

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~~Parker, CO 80134~~
~~303-960-9586~~

FLORIDA

~~Tony Joaquin~~
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~~Del Ray Beach, FL 33483~~
~~800-506-0421~~

PENNSYLVANIA

~~Claudia G L Jorge/Imed group, LLC~~
~~1700 Market Street, Suite 1005~~
~~Philadelphia, PA 19103~~
~~215-825-5501~~

AREA REPRESENTATIVES WHO LEFT THE SYSTEM IN 20222024

Michel Kerdiles
Orange County, CA
714-844-6323

Nayli Russo-Long
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Canonsburg, PA 15317
(412) 730-3334

FLORIDA

Tony Joaquin

455 NE 5th Avenue, #D-399

Del Ray Beach, FL 33483

800-506-0421

**EXHIBIT B
TO FRANCHISE DISCLOSURE DOCUMENT**

FINANCIAL STATEMENTS

~~With respect to the November 30, 2023 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.~~

HHCI, LLC

FINANCIAL REPORT
AS OF DECEMBER 31, 2024

HHCI, LLC

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Independent Auditor's Report

To the Members
HHCI, LLC
Atlanta, Georgia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying balance sheets of HHCI, LLC as of December 31, 2024, and 2023, and the related statements of operations, member's equity (deficit), and cash flows for the years ended December 31, 2024, and 2023, and the notes to financial statements.

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, 2024, and 2023, and the results of their operations and their cash flows for the years ended December 31, 2024, and 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of HHCI, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of HHCI, LLC. for the year ended December 31, 2022, were audited by another auditor who expressed an unmodified opinion on those statements on March 15, 2023.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about HHCI, LLC's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery,

intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of HHCI, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about HHCI, LLC's ability to continue as a going concern for a reasonable period of time.

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

Reese CPA LLC

Ft. Collins, Colorado
April 20, 2025

**HHCI, LLC
BALANCE SHEETS**

	AS OF DECEMBER 31,	
	2024	2023
ASSETS:		
CURRENT ASSETS		
Cash and equivalents	\$ 368,719	\$ 20,821
Accounts receivable	-	4,900
TOTAL CURRENT ASSETS	368,719	25,721
NON-CURRENT ASSETS		
Intangible assets	725	-
TOTAL ASSETS	\$ 369,444	\$ 25,721
LIABILITIES AND MEMBERS' EQUITY (DEFICIT):		
CURRENT LIABILITIES		
Accounts payable	\$ 23,726	\$ 26,329
Non-refundable deferred franchise fees, current	28,760	22,950
TOTAL CURRENT LIABILITIES	52,486	49,279
NON-CURRENT LIABILITIES		
Non-refundable deferred franchise fees	171,304	147,774
TOTAL LIABILITIES	223,790	197,053
MEMBER'S EQUITY (DEFICIT)	145,654	(171,332)
TOTAL LIABILITIES AND MEMBERS' EQUITY (DEFICIT)	\$ 369,444	\$ 25,721

The accompanying notes are an integral part of these financial statements.

HHCI, LLC
STATEMENTS OF OPERATIONS

	FOR THE YEARS ENDED DECEMBER 31,		
	2024	2023	2022
REVENUES			
Franchise fees	\$ 605,660	\$ 526,996	\$ 551,050
Royalty fees	551,280	351,458	211,841
Other revenues	64,025	55,841	40,090
TOTAL REVENUES	1,220,965	934,295	802,981
OPERATING EXPENSES			
Management Services	300,827	285,828	225,539
Franchise related costs	264,528	300,809	200,300
General and administrative	198,624	174,521	205,004
Advertising and promotion	77,521	26,350	3,850
Compensation and related costs	60,978	46,002	56,592
Professional fees	54,179	48,587	40,625
TOTAL OPERATING EXPENSES	956,657	882,097	731,910
 OPERATING INCOME	 264,308	 52,198	 71,071
 OTHER INCOME (EXPENSE)	 -	 -	 -
 NET INCOME	 \$ 264,308	 \$ 52,198	 \$ 71,071

The accompanying notes are an integral part of these financial statements.

HHCI, LLC
STATEMENTS OF CHANGES IN MEMBER'S EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023, AND 2022

	<u>Member Contributions</u>	<u>Due From (to) Affiliates</u>	<u>Accumulated Earnings</u>	<u>Total Members' Equity (Deficit)</u>
BALANCE, DECEMBER 31, 2021	\$ 500	\$ (84,732)	\$ 72,502	\$ (11,730)
Advances from (to) affiliates	-	(77,109)	-	(77,109)
Member distributions	-	-	(73,281)	(73,281)
Net income	-	-	71,071	71,071
BALANCE, DECEMBER 31, 2022	<u>500</u>	<u>(161,841)</u>	<u>70,292</u>	<u>(91,049)</u>
Advances from (to) affiliates	-	(87,050)	-	(87,050)
Member distributions	-	-	(45,431)	(45,431)
Net income	-	-	52,198	52,198
BALANCE, DECEMBER 31, 2023	<u>500</u>	<u>(248,891)</u>	<u>77,059</u>	<u>(171,332)</u>
Advances from (to) affiliates	-	158,952	-	158,952
Member distributions	-	-	(106,274)	(106,274)
Net income	-	-	264,308	264,308
BALANCE, DECEMBER 31, 2024	<u>\$ 500</u>	<u>\$ (89,939)</u>	<u>\$ 235,093</u>	<u>\$ 145,654</u>

The accompanying notes are an integral part of these financial statements.

HHCI, LLC
STATEMENTS OF CASH FLOWS

	FOR THE YEARS ENDED DECEMBER 31,		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss) income	\$ 264,308	\$ 52,198	\$ 71,071
Adjustments to reconcile net income to net cash provided by operating activities:			
Recognition of non-refundable deferred franchise fees	(28,760)	(22,951)	(17,350)
Changes in assets and liabilities:			
Accounts receivable	4,900	118,913	(32,680)
Prepaid expense	-	19,750	(19,750)
Accounts payable	(2,603)	(34,828)	42,676
Customer deposits	-	(59,000)	59,000
Non-refundable deferred franchise fees	58,100	56,005	59,300
Net cash provided (used) by operating activities	295,945	130,087	162,267
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of intangible assets	(725)	-	-
Net cash used for investing activities	(725)	-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Advances to affiliates	158,952	(87,050)	(80,469)
Member distributions	(106,274)	(45,431)	(71,071)
Net cash provided by financing activities	52,678	(132,481)	(151,540)
NET INCREASE IN CASH	347,898	(2,394)	10,727
CASH, BEGINNING	20,821	23,215	12,488
CASH, ENDING	\$ 368,719	\$ 20,821	\$ 23,215
SUPPLEMENTAL DISCLOSURES			
Cash paid for interest	\$ -	\$ -	\$ -
Cash paid for taxes	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

HHCI, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

HHCI, LLC (“Company”) was formed on June 17, 2013 in the State of Georgia as a limited liability company. The Company grants franchises for the right to operate a business that offers a franchise for the operation of businesses under the name of “AmeriCare” and “AMLI Care,” which will provide non-medical home care services.

Affiliate

City Publications Service, Inc. (“CPS”) was formed on March 29, 2010, in the state of Georgia as Corporation. CPS provides marketing, design, and mailing list services to the Company’s franchisees and management services to the Company.

Dunphy Properties, LLC (“DP”) was formed June 2, 2005, in the state of Georgia as a limited liability company. DP is a real estate holding and management company and provides long and short term rental and other real estate services to the Company’s franchisees.

The above affiliate does not sell franchises in any other line of business and is not otherwise engaged in any other business activity.

A summary of significant accounting policies follows:

Use of Estimates

Preparation of the Company’s financial statements in accordance with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents. The Company had no cash equivalents as of December 31, 2024, and 2023.

Accounts Receivable

The timing of revenue recognition may be different from the timing of invoicing to customers. The Company records an accounts receivable when revenue is recognized prior to invoicing, or unearned revenue when revenue is recognized subsequent to invoicing. Management evaluates individual customers’ receivables considering their financial condition, credit history and current economic conditions. Accounts receivable are written off if deemed uncollectible and recoveries of accounts receivable previously written off are recorded as income when received. The Company did not have any allowance for doubtful accounts as of December 31, 2024, and 2023. Bad debt expense was \$10,500, \$1,714, and \$41,120 for the years ended December 31, 2024, 2023, and 2022.

HHCI, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, Plant & Equipment

The Company has adopted ASC 360 – Property, Plant and Equipment. Property and equipment are stated at historical cost. Depreciation is provided using straight-line method based on the estimated useful lives of the related assets (generally three to seven years). The Company’s property, plant & equipment was fully depreciated as of December 31, 2023.

Intangible Assets

The Company has adopted ASC 350, Intangibles – Goodwill and Other that requires that goodwill and intangible assets with indefinite lives no longer be amortized to earnings but be tested for impairment at least annually. Intangible assets with finite lives are amortized over their estimated useful lives. The useful life of an intangible asset is the period over which it is expected to contribute directly or indirectly to future cash flows. Intangible assets with infinite lives are reviewed for impairment if events or changes in circumstances indicate that the carrying value might not be recoverable. Intangible assets consisted of trademark costs of \$725 and \$0 at December 31, 2024, and 2023.

Revenue Recognition and Non-refundable Deferred Franchise Fees

The Company recognizes revenue under the guidance of ASC 606 “Contracts with Customers”. The Company’s revenue mainly consists of franchise fees, royalties, and ancillary revenues.

Each franchise agreement is comprised of several performance obligations. The Company identifies those performance obligations, determines the contract price for each obligation, allocates the transaction price to each performance obligation and recognizes revenue when the Company has satisfied the performance obligation by transferring control of the good or service to the franchisee. The Company is using the practical expedient under the guidance ASC 606 and is treating all pre-opening activities as distinct from the franchise license as defined in the next paragraph. The Company has determined that 90% of its initial franchise fee is allocable to the pre-opening obligations in the franchise contract. The remainder of performance obligations not related to the grant of the license represent a single performance obligation, and are recognized over the term of the respective franchise agreement from the date the agreement is executed. Unearned initial fee revenues from franchisee acquisition and acceptance will be recorded as non-refundable deferred franchise fees and recognized as revenue over the term of the contract which is currently 10 years.

When a franchisee purchases a franchise, the Company grants the franchisee the right to use the proprietary methods, techniques, trade dress, trademarks, and logos (“the license”) for a specific period of time and in a specific territory. The license is symbolic intellectual property. Revenues related to the license are continuing royalties of 6% of gross sales, subject to a minimum royalty as defined in the franchise agreement. Royalty revenues are compensation for the use of the license in the territory, over the term of the contract, and will be used in part to continue the development of the Company’s brand, the franchise system and provide on-going support for the Company’s franchisees. The royalties are billed monthly and are recognized as revenue when earned.

HHCI, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Ancillary Franchise Fees

Revenue from other fees and additional training services as specified in the franchise agreement are recognized as revenue when control of the related goods or service has been transferred to the control of the franchisee. All ancillary fees are billed monthly as the service is delivered or available. Training is billed at the conclusion of the training.

Brand Fund Contribution

The Company collects a national advertising fee of \$400 per month. The fee is recognized as revenue when earned.

Income Taxes

The members of the Company have elected to be taxed as a Sub Chapter S corporation under the provisions of the Internal Revenue Code. Under those provisions, taxable income and losses of the Company are reported on the income tax return of its member and no provisions for federal or state taxes have been recorded on the accompanying balance sheet.

The Company adopted ASC 740-10-25-6 “Accounting for Uncertainty in Income Taxes”, that requires the Company to disclose uncertain tax positions. Under the standard an entity may only recognize or continue to recognize tax positions that meet a “more likely than not” threshold upon examination by taxing authorities.

Based on its evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements or that would affect the Company’s member. The Company’s evaluation was performed for the years ended December 31, 2024, 2023 and 2022, for U.S. Federal Income Tax and for the State of Georgia Income Tax.

Advertising Costs

The Company expenses advertising costs as incurred. Advertising expense the period for the years ended December 31, 2024, 2023, and 2022 was \$77,521, \$26,350, and \$3,850, respectively.

Fair Value of Financial Instruments

The Company’s financial instruments consist of cash and cash equivalents, accounts receivable and accounts payable. The carrying amounts approximate fair value due to their short maturities.

Recently Issued Accounting Pronouncements

The Company has adopted all recently issued Accounting Standards Updates (“ASU”). The adoption of the recently issued ASUs, including those not yet effective, is not anticipated to have a material effect on the financial position or results of operations of the Company.

HHCI, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – CONTRACTS WITH CUSTOMERS

The Company has recorded a liability for unearned revenue associated with the performance obligation of the Company’s franchise agreements. The account balances and activity for the years ending December 31 are as follows:

	December 31,	
	2024	2023
Deferred Non-refundable Franchise Fees:		
Balance beginning of year	\$ 170,724	\$ 137,670
Deferral of non-refundable franchise fees	58,100	56,005
Recognition of non-refundable franchise fees	(28,760)	(22,951)
Balance at end of year	\$ 200,064	\$ 170,724

Disaggregation of Revenues

Disaggregated revenues based on the satisfaction of performance obligations in the Company’s contracts with franchisees for the year ended December 31, is as follows:

	2024	2023	2022
Performance obligations satisfied at a point in time	\$ 1,192,205	\$ 911,344	\$ 785,631
Performance obligations satisfied by the passage of time	28,760	22,951	17,350
Total revenues	\$ 1,220,965	\$ 934,295	\$ 802,981

Estimated Recognition of Non-refundable Deferred Franchise Fees

Estimated revenues and franchise acquisition costs to be recognized in future periods related to deferred franchise fees reported as of December 31, 2024, is as follows:

	Non-refundable Franchise Fees
Year ending December 31:	
2025	\$ 28,760
2026	28,760
2027	28,760
2028	28,760
2029	28,760
Thereafter	56,264
	\$ 200,064

HHCI, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 3 – RELATED PARTY TRANSACTIONS

During the years ended December 31, 2024, 2023 and 2022, the Company purchased management and advertising services from the Company’s affiliates in the amount of \$313,837, 292,836, and \$238,739, including rented office space of \$13,010, \$7,008, and \$13,200. During the year ended December 31, 2024, 2023 and 2022 the Company received advances from affiliates of \$158,952, net. During the years ended December 31, 2023, and 2022 the Company advanced to affiliates \$67,050, and \$77,109. net to support affiliate operations. Advances due from affiliates as of December 31, 2024, and 2023, were \$89,939, and \$248,891. The advances bear no interest and have no repayment terms and are classified as a component of member’s (deficit) as the affiliates are under common control through common ownership.

NOTE 4 – COMMITMENTS AND CONTINGENCIES

Litigation

The Company may be party to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

NOTE 5 - SUBSEQUENT EVENTS

Date of Management’s Evaluation

Management has evaluated subsequent events through April 20, 2025, the date on which the financial statements were available to be issued.

**EXHIBIT C
TO FRANCHISE DISCLOSURE DOCUMENT
FRANCHISE AGREEMENT**



HHCI, LLC

FRANCHISE AGREEMENT

Franchisee:

Date:

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AMERICARE FRANCHISE AGREEMENT

THIS AGREEMENT made and entered into this _____ day of _____, 202_, by and between HHCI,LLC ., a Georgia limited liability company, with principal offices in Atlanta, Georgia (hereinafter called the "Franchisor"), and _____ (hereinafter referred to as the "Franchisee").

WHEREAS, Franchisor has expended time, effort and money to develop and obtain knowledge in the business of operating and franchising distinctive non-medical home care services under the names of "AmeriCare" and "AMLI Care" and has established successfully a reputation, demand and goodwill for such business under the names "AmeriCare" and "AMLI Care" which signifies the highest standards of management and supervision relating to the above described activities (hereinafter referred to as the "System");

WHEREAS, Franchisor identifies the System by means of certain service marks, logos, emblems, and indicia of origin (hereinafter referred to as the "Proprietary Marks"), including but not limited to the service mark "AmeriCare" and "AMLI Care", and such other trade names, service marks and trademarks as may be designated now or hereafter by Franchisor (in the confidential Operating Manual or otherwise in writing) for use in connection with the System;

WHEREAS, Franchisee recognizes the benefits to be derived from being identified with and licensed by Franchisor and being able to utilize the System and the licensed rights which Franchisor makes available to its franchise owners in which to obtain a franchise from Franchisor for that purpose, as well as to receive the training and other assistance provided by Franchisor in connection therewith; and

WHEREAS, Franchisor is willing to grant to Franchisee a license to operate a business using the System in the territory described herein below and to assist Franchisee in the operation of such business.

WHEREAS, in some geographical areas, Franchisor has contracted with an Area Representative, who will may, at the option of Franchisor, perform, the Franchisor's obligations to Franchisee, which include, without limitation, training, and ongoing assistance and supervision. Franchisee acknowledges the existence of the Area Representative program and will cooperate fully with any such Area Representative who may have a territory, which includes the area franchised hereby, if Franchisor elects to place Franchisee under the authority of such an Area Representative.

NOW THEREFORE, for and in consideration of the mutual promises and covenants hereinafter provided and for other good and valuable consideration and to evidence the agreement of the parties, it is hereby agreed as follows:

ITEM I
LICENSED RIGHTS

Subject to and in accordance with the terms and conditions of this Agreement, and in particular the payment by Franchisee to Franchisor of the royalties described in Section VI(b) below, Franchisor hereby grants to Franchisee the exclusive right to operate an office of AmeriCare, in the franchise zone described in Exhibit A, attached hereto. Franchisee shall do business under either the mark “AmeriCare” or “AMLI Care” as agreed between the parties upon execution hereof. Franchisee shall have such office open and in operation within 60 days after the completion of training. Franchisee acknowledges that it has no rights to use any of the Licensed Rights or any part of the System anywhere outside of the area described above, and Franchisor may license to others or use the Licensed Rights itself outside of the franchise zone in any manner it chooses, in its sole discretion. Franchisee may neither solicit nor perform any AmeriCare services outside of the territory, without the express prior written consent of the Franchisor.

Franchisee hereby accepts said grant, franchise and license and agrees to maintain its licensed business in accordance with the Franchisor's plans and specifications, including the AmeriCare System and all manuals and procedures as revised from time to time, and in accordance with the terms and conditions of this Agreement.

ITEM II
TERM/RENEWAL

Unless sooner terminated as hereinafter provided, this Agreement shall expire ten (10) years from the date first above written. Franchisee, at its election, may, upon the expiration of the Initial term, renew this franchise for two, five (5) year terms, each time by signing the then current form of Franchise Agreement, which may have different terms than those set forth herein; provided, however, that Franchisee shall have no right to renew unless Franchisee, as of the expiration date, has complied with the material provisions of this Agreement, and 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 Franchisee shall desire to renew this Agreement, Franchisee shall give written notice to Franchisor, not later than ninety days prior to the expiration date of each term, of the Franchisee's desire to renew this franchise, sign the then current agreement, and pay the \$1,000 renewal fee.

ITEM III
SITE LOCATION

Franchisee shall submit to Franchisor for approval one or more sites for the location of its AmeriCare office. The site may be an office or executive suite, and the site must be within the franchise zone. Franchisor approval of the site is required. Franchisor strongly recommends that the office be on the ground floor and have signage visible from the street. Franchisee shall not be obligated to have more than one office within the exclusive area at any given time. Franchisee shall not relocate its office within said territory without the prior written approval of Franchisor.

ITEM IV
SERVICES BY FRANCHISOR

Franchisor agrees during the term of this Agreement to use its best efforts to maintain the high reputation of AmeriCare and in connection therewith to make available the following services:

(a) Training of the Franchisee to operate an AmeriCare business through Franchisor's training program. Training will take place in Atlanta, Georgia. There is no charge for the initial training of up to two people, but Franchisee will be responsible for his own travel and lodging expenses during training, as well as any salary obligations of employees undergoing training.

(b) Franchisor will deliver to Franchisee the confidential Operations/Training Manuals of the Franchisor, which Manuals will be loaned to Franchisee for the term hereof.

(c) The Franchisor shall develop, whenever possible, and in its discretion, promotional programs and sales campaigns which shall be sent to the Franchisee to assist him in selling and promoting AmeriCare services.

(d) Franchisor shall perform ongoing supervisory services, rendered by personal visits or telephone, or by newsletters or bulletins, as Franchisor may deem necessary or appropriate.

(e) Franchisor provides access to an online portal that provides Franchisee with up-to-date human resources and legal information targeted to the home care industry. Franchisee will pay Franchisor the sum of \$1,500 before opening in order to obtain access to that portal.

(f) Franchisor shall perform additional services as may hereafter be developed and offered by Franchisor to its Franchisees.

As stated above, in some geographical areas, Franchisor has contracted with an Area Representative, who may perform most, if not all, of Franchisor's obligations to Franchisee, which includes, without limitation, ongoing training, assistance and supervision. Franchisee acknowledges the existence of the Area Representative program and will cooperate fully with any such Area Representative who may have a territory which includes the area franchised hereby.

ITEM V
STANDARDS AND UNIFORMITY OF OPERATION

Franchisee agrees that Franchisor's special standardized System and adherence to the Operations Manual, delivered upon arrival at training, are essential to the operation and image of an AmeriCare business. In recognition of the mutual benefits accruing from maintaining uniformity within the System, it is mutually covenanted and agreed as follows:

(a) Franchisee agrees that it will operate its AmeriCare business in accordance with the standards, specifications and procedures set forth in the

Operations Manual. Said Manual shall be furnished in confidence and Franchisee 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. Franchisee further agrees to keep his/her copy of the Operations Manual current and that changes in such standards, specifications and procedures as set forth in the Operations 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 Manual as Franchisor, in the exercise of its judgment, makes from time to time.

(b) Franchisee shall only utilize the computer systems and shall only perform those services currently and from time to time prescribed by Franchisor. Franchisee shall comply with the instructions set forth in the Operations Manual and follow all other standards, instructions, formulas and specifications furnished by Franchisor for the operation of all AmeriCare businesses.

(c) Franchisee shall obey any and all applicable laws and regulations of any governmental or political body. Franchisee acknowledges that each state has its own rules regarding licensing required for an Americare Business and Franchisee is solely responsible for researching and complying with those requirements.

(d) Franchisee shall conduct no other business at its AmeriCare location without prior approval from AmeriCare.

(e) Franchisee may not advertise outside of its franchise zone and may not service customers outside of said zone unless it has been agreed upon by all of the surrounding franchisees.

(f) In addition to the minimum royalty described in Item VI below, Franchisee must meet the following performance criteria. At the end of the first full year of operation, the franchisee must have at least 20 active clients. By the end of the second year, Franchisee must have at least 30 active clients. By the end of year three Franchisee must have at least 40 active clients, and thereafter Franchisee must maintain at least 40 active clients.

(g) Franchisee must attend and participate in all monthly system wide marketing calls.

(h) Franchisee shall attend all Franchisor sponsored education webinars.

ITEM VI **FEES AND CHARGES**

Franchisee agrees in consideration for the franchise granted herein to pay a franchise fee and a monthly royalty and advertising fee as follows:

(a) An initial franchise fee of \$_____ shall be due and payable to the Franchisor. ~~For franchisees in Minnesota, this fee is due when the Company has completed all of its pre-opening obligations and the Franchisee has opened its business.~~

upon execution of the Franchise Agreement. If Franchisee fails to attend, or satisfactorily complete the initial training program within 60 days after the execution of this Agreement, Franchisor may terminate this agreement. The franchise fee is deemed fully earned by us and is not refundable under any circumstances.

(b) As a royalty and service fee, Franchisee agrees to pay Franchisor a non-refundable royalty and service fee of 6% of Franchisee's total Gross Revenue. Royalty and service fees shall be due and payable by the 15th of each month, for gross Revenues received in the previous month. You will provide us with a profit loss statement on or before the 5th of every month, showing your gross revenue from the Wellsky Personal Care business software for the prior month. In the first six months of business, the royalty amount will be a flat fee of \$500.00 per month. That arrangement applies only to newly opened franchised businesses and not to resales or transfers. The royalties shall be paid by credit card, debit card or bank draft, and Franchisee agrees to execute any documents requested by Franchisor to enable Franchisor to collect these fees. If Franchisee's method of payment should ever be declined, the royalty shall be considered past due, in which case Franchisee shall be in breach of this Agreement. In addition to the other provisions hereof relating to breach, Franchisee shall owe a late fee of \$50 for each such breach and shall pay interest at an annual rate of fifteen (15%) percent of the amount owed, until paid in full. For purposes of this Agreement, gross revenues means all the actual gross charges, whether or not actually collected, for all goods and services purchased by or provided to your customers, whether for cash, credit, barter, or in kind, and whether in, upon, from, through or by any means, related to the franchised business. Gross Revenue will exclude the amount of any sales tax imposed by any federal, state, municipal, or other governmental authority directly on sales and collected from customers at the point of sale by you acting as agent for such authority.

It is agreed that Franchisee must pay a minimum royalty each year after commencement of operations to the public, according to the following schedule. If in any year the Franchisee has failed to pay the minimum, Franchisee will have ten days after receipt of written notice from Franchisor to pay the arrearage, Failure to do so will be a breach of this Agreement. The minimum royalty payment due is as follows:

Year 1 - \$3,000

Year 2 - \$4,000

Year 3 - \$6,000

Year 4 - \$10,000

Year five and thereafter, a 5% increase over the minimum required for the previous year.

(c) As a National Advertising fee, ~~\$300~~400 shall be due and payable at the same time and in the same manner as the monthly royalty fee, subject to the same provision for non-payment or late payment, and commencing immediately after the completion of the initial training program. The National Advertising fee is due and payable, regardless if no income has been generated for royalties.

Franchisee agrees to also pay to Franchisor's designated third party vendor a search engine optimization charge and Pay Per Click fee of \$500 at least \$1,200 per month, ~~technology fee \$325 per month, plus an initial \$1,250 setup fee. Franchisee agrees to which must begin at least three months prior to opening. The exact amount of this charge is determined by Franchisor's digital vendor, depending on market conditions. In~~

addition, you must pay email hosting fee of \$49.99 per month for the first four email address, then ~~\$15.99~~12 per month for each ~~additional~~ email address.

We have established and will maintain and administer the National Advertising Fund for the development and implementation of marketing and advertising materials and programs. The National Advertising Fund may be used to pay the costs of creating and developing artwork for various collateral materials and advertising such as, without limitation, billboards and yellow page advertisements, and for paying Internet campaigns and referral fees. The National Advertising Fund may also be used for the costs of creating and producing television commercials, newsletters, video, audio and written marketing materials; supporting public relations, market research (which may include testing of new advertising and marketing materials), web site development and maintenance and other advertising and marketing activities; maintaining toll free telephone numbers for potential customers to use to access information about our services including expenses related to call distribution of advertising and maintenance of a call distribution system and for leads; paying legal fees to protect and defend the Licensed Marks; creating and generating Internet leads; participating with local or regional advertising councils to supplement local advertising; purchasing mailing lists or other data and information sources.

The National Advertising Fund is accounted for separately from our other funds and is not used to defray any of our general operating expenses, except for reasonable salaries, administrative costs, travel expenses and overhead we incur in activities related to the administration of the National Advertising Fund and its programs. We may prepare advertising and marketing materials or we may hire outside agencies.

Although we endeavor to utilize the National Advertising Fund to develop advertising and marketing materials and programs that benefit all AmeriCare Businesses, we undertake no obligation to ensure that the development of advertising and marketing materials or other activities funded by the National Advertising Fund (including media placement) will benefit any particular AmeriCare Business.

ITEM VII **TRAINING**

Within thirty (30) days of the execution of this Agreement, Franchisee shall designate as many as two individuals, which may include Franchisee if Franchisee is an individual, for pre-operational training by Franchisor, and these people shall successfully complete the pre-operational training, to Franchisor's reasonable satisfaction. Franchisor shall maintain a training center and shall determine the training period necessary to adequately train said individuals and shall determine when said individuals have satisfactorily completed training. There shall be no tuition charges for training the initial two individuals. The Franchisee may select additional employees for training by Franchisor and Franchisor reserves the right to charge Franchisee tuition and training charges of \$500.00 for such additional individual. Franchisor has the right to put on a national conference and in such event Franchisee shall attend the conference and pay Franchisor's then current conference fee, which currently is \$600. Neither Franchisor nor an Area Representative are responsible for the training of any members of Franchisee's staff, as that is

Franchisee's responsibility as their employer. In addition, Franchisee is required to complete a soft skills and administrator training through CareAcademy, a third party vendor designated by Franchisor.

ITEM VIII CONTINUING SERVICE AND INSPECTION

Franchisor shall furnish to Franchisee from time to time such merchandising and operating aids and servicing and printed materials in connection therewith which are furnished to all other Franchisees. Franchisor shall also, upon reasonable written request by Franchisee, furnish services to Franchisee to aid in the solution of specific problems encountered by Franchisee which are beyond the scope of Franchisor's obligation of general supervision and reasonable consultation. Franchisee shall reimburse Franchisor promptly for its actual time expended and its actual expenses incurred in aiding Franchisee with such problems.

ITEM IX ADVERTISING

(a) Franchisee agrees to spend at least \$3,000 per month on local advertising and marketing. Franchisee will provide Franchisor with a monthly report from the Wellsky Personal Care business software, by the fifth of each month, showing its compliance with this provision during the prior month. The monthly payment to our approved search engine optimization vendor is included within the local advertising obligation, as does Franchisee's payment to our approved lead generation vendor, currently AgingCare.

(b) Samples of all local advertising and marketing materials not prepared by Franchisor or previously approved by Franchisor shall be submitted to Franchisor for written approval prior to their use, which approval shall not be unreasonably withheld. If written disapproval is not received by Franchisee within ten (10) days of the date of receipt by Franchisor of such materials, then Franchisor shall be deemed to have waived the required approval; provided, however, that Franchisee shall discontinue the use thereof within a reasonable time if Franchisor subsequently requests such action in writing.

(c) In addition to the foregoing, Franchisee agrees to:

(1) Refrain from using in any way in its advertising the image of any individual, real or fictional, other than those approved by Franchisor;

(2) To adhere to such advertising regulations as Franchisor may impose, to obtain Franchisor's approval of local advertising, and to use only materials, tapes and other advertising materials provided by or approved by Franchisor for local advertising use;

(3) To make all signs and other advertising materials with the ® or SM mark, as directed by Franchisor, to protect the Franchisor's right to its various trademarks, service marks and other rights, and to cause all local signs and other advertising materials prepared by or for Franchisee to use and reproduce Franchisor's trademarks, service marks and other symbols, accurately and exactly,

in a manner which will best protect these rights, and to refrain from the use of Franchisee's own name or any other name than "AmeriCare" in connection with any of the trademarks, service marks or other rights; and

- (4) Refrain from advertising outside of its franchise zone.

ITEM X **EQUIPMENT, SUPPLIES AND OPERATIONAL STANDARDS**

Franchisee may purchase all equipment and supplies required to be utilized in the Franchisee's business from reputable, dependable sources, provided such items strictly conform to the appearance and uniform standards and specifications of Franchisor and the System existing from time to time. This does not include the business software, which must be purchased from Wellsky Personal Care. Franchisor may require that Franchisee submit specifications for such items to Franchisor for approval before Franchisee may purchase same for its franchised business. If such specifications, or such item or items do not conform to Franchisor's standards and specifications, Franchisor shall promptly notify the Franchisee, and said item shall not be installed or used by Franchisee. Similarly, Franchisor shall promptly notify Franchisee if such specifications or items meet the Franchisor's standards and specifications. Franchisee must have at least one vehicle with logoed signage in the form of 2-door magnetic signage or a full vehicle wrap. In addition, all of your staff must wear identification in the form of name badges or uniforms with the system logo.

ITEM XI **BOOK, RECORDS AND BOOKKEEPING SYSTEM**

Bookkeeping Systems. Franchisor shall furnish to Franchisee in its Operations Manual information as to its standard bookkeeping forms, profit and loss, balance sheet and cost control procedures, and Franchisee shall adhere to the forms so provided. The Franchisor also requires a scheduling, payroll and accounting software system, for license by the Franchisee pursuant to a separate license agreement with Wellsky Personal Care. Franchisee agrees to grant Franchisor access to Wellsky Personal Care account via their HQ Portal program.

Reports. Franchisee shall deliver to Franchisor within five (5) days after the end of each calendar month, a profit loss report from the business software for the preceding month, in the form prescribed and furnished by Franchisor for such purposes. Such reports shall, if requested by Franchisor, include a current list of Franchisee's caregivers, customers and prospective customers, and such information about them as Franchisor may reasonably request. Franchisee shall submit, annually, within ninety (90) days after the close of Franchisee's accounting period, a copy of Franchisee's federal and state income tax returns to Franchisor, as well as Franchisee's year-end balance sheet and profit and loss statement created by the business software. All profit and loss statements and balance sheets shall be in accordance with the business software, the system of accounting as contained in the Operations Manual. If Franchisee is under an Area Representative, all reports will be sent to Area Developer in addition to Franchisor.

Records of Franchisee. Franchisee shall maintain and keep true and accurate records, books and data, which shall reflect all particulars relating to the business done and

expenditures and receipts of the operation. Franchisee shall retain all supporting documents, including, but not limited to, caregiver compensation records, tax returns, production reports, sales invoices, bank statements, deposit receipts, cancelled checks and paid invoices. Franchisor shall have the right to examine and audit all such records, accounts and books at all reasonable times and can elect to do so by accessing the Franchisees' Wellsky Personal Care software license electronically.

ITEM XII

HOLD HARMLESS AND INSURANCE

Franchisee hereby agrees to indemnify and hold Franchisor harmless from and against any liability, loss, fines, suits, proceedings, claims, demands or actions, or damages of any kind or nature which Franchisor may incur, including reasonable attorney's fees, as a result of claims, demands, costs or judgments of any kind or nature, by anyone whomsoever, arising out of or in connection with this Agreement, the licensed rights or the operation or ownership of the Franchised AmeriCare business operated by Franchisee pursuant to this Agreement; provided, however, that such indemnity and hold harmless shall not extend to actions brought against Franchisee by one claiming infringement on such claimant's service mark, trade mark or trade name rights, so long as such claim is based on a use by Franchisee in strict accordance with the terms of this Agreement of one or more of the licensed rights. The Franchisor hereby agrees to protect the proprietary marks and indemnify the Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the proper use of the marks.

Franchisee agrees to procure and maintain during the term of this Agreement public liability insurance, fidelity bonding coverage, workers' compensation insurance, unemployment compensation insurance, comprehensive general liability insurance, including personal injury, bodily injury and products liability insurance, and any other forms of insurance which Franchisor may determine are reasonably necessary for Franchisee to procure in order to protect and enhance the image and value of the AmeriCare business. Franchisee agrees to procure coverage in reasonable amounts and having the deductibles from time to time specified by Franchisor either in the Operations Manual or in other written directives, and to procure such insurance from insurance companies which are reputable and credit worthy and in good standing with the Insurance Commissioner in the state or states in which the Franchisee is located. All such policies of insurance shall name Franchisor as an additional named insured and shall contain an endorsement requiring the insured to give Franchisor thirty (30) days advanced written notice before any termination or cancellation of such policy shall be effective, which notice shall specify the reason for the pending termination or cancellation. Franchisee shall deliver certificates of all insurance to Franchisor. Franchisee will also be 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.

ITEM XIII
OWNERSHIP AND USE OF PROPRIETARY MARKS

(a) All right, title and interest in and to any trade mark, trade name, service mark, trade secret, system, operation manual and the goodwill associated therewith belong to Franchisor and no such right, title or interest is transferred hereunder or is to be transferred hereunder. Franchisee acknowledges Franchisor's sole exclusive right (except for certain rights granted under existing and future franchises and license agreements) to use the Licensed Rights and represents, warrants and agrees that neither during the term of this Agreement nor after the expiration or other termination hereof, shall Franchisee directly or indirectly contest or aid in contesting the validity or ownership of the Licensed Rights nor take any action whatsoever in derogation of Franchisor's claim to rights therein.

(b) Nothing contained in this Agreement shall be construed to vest in Franchisee any right, title or interest in or to the Licensed Rights, System, or the goodwill now or hereafter associated therewith, other than the rights and license expressly granted herein. Any and all goodwill associated with the Licensed Rights shall inure directly and exclusively to the benefit of, and is the property of, Franchisor.

(c) Franchisee shall not incorporate any of Franchisor's trade names, including, but not limited to, "AmeriCare" or words similar thereto in any trade name or firm name of the Franchisee or any corporate name.

(d) Franchisee shall not display or use such trademarks, trade names, service marks, trade secrets and System except as specifically authorized hereunder. It will not do or omit to do anything whereby the proprietary right to use the foregoing shall be endangered or lost. No advertising by Franchisee or other use of Franchisor's service marks, trade marks or trade names shall contain any statement or material which may, in the judgment of the Franchisor, be in bad taste or inconsistent with Franchisor's public image. Franchisee shall adopt and use Franchisor's service marks, trademarks, or trade names only in the manner expressly approved by Franchisor.

(e) Franchisee acknowledges and agrees that Franchisor is the owner of all proprietary rights in and to the systems and methods described in the Operations Manual and Franchisor's training guides and materials, and that the systems and methods in their entirety constitute trade secrets of Franchisor which are revealed to Franchisee in confidence and that no right is given to or acquired by Franchisee to disclose, duplicate, license, sell or reveal any portion thereof to any person other than an employee of the Franchisee required by his work to be familiar with relevant portions thereof. Franchisee hereby represents warrants and agrees to keep and respect the confidence extended hereby. Franchisee further acknowledges that the System, knowledge and materials furnished to Franchisee hereunder are and will remain the property of Franchisor and must be returned to Franchisor immediately upon the termination of this Agreement. Franchisee agrees to make no copies of any of the aforesaid confidential materials. In the event the Operations Manual is lost, stolen, misplaced, destroyed or otherwise made unavailable to Franchisee, Franchisee shall be charged a fee of \$500 for the replacement of the Operations Manual, unless Franchisee shall have exercised reasonable care to prevent the occurrence of such an event. Franchisee acknowledges that the Operations Manual is the property of Franchisor and is on loan to Franchisee. Franchisee agrees that

the Operations Manual is confidential, cannot be copied, and must be returned to Franchisor upon the expiration of termination of this Franchise Agreement.

(f) Franchisee shall not represent nor hold himself out as an agent, legal representative, partner, subsidiary, joint venture, or employee of Franchisor. Franchisee shall have no right or power to, and shall not bind or obligate Franchisor in any way, manner or thing whatsoever, nor represent that it has any right to do so.

(g) In all public records and in its relationship with other persons, on letterhead and business forms, Franchisee shall indicate its independent ownership of said business, and that it is only a Franchisee of Franchisor.

(h) The covenants set forth in this Article shall survive the termination or expiration of this Agreement.

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

ITEM XIV

ASSIGNMENT AND RIGHT OF FIRST REFUSAL

(a) Franchisee may not sell, assign, transfer, sublicense, sub franchise, or encumber this Agreement, the franchise granted herein, the Licensed Rights, or any other interest hereunder, a substantial portion of the assets of the franchised business, or Franchisee's caregiver or customer list, nor suffer or permit any such assignment, transfer or encumbrance to occur by will, or by operation of law, or otherwise, without the express prior written consent of Franchisor. If Franchisee received financing through the SBA, then the SBA will be granted a lien on the business assets prior to any action being taken by the Franchisor. Franchisee may not assign or transfer its rights under this Agreement while Franchisee is in any way in default under this Agreement, or before Franchisee has opened its AmeriCare Franchised Business and begun paying royalties.

If Franchisee is a corporation, partnership, unincorporated association or a similar entity, the terms of this Item XIV shall apply to any sale, resale, pledge, assignment, transfer or encumbrance of the voting stock of, or other ownership interest in Franchisee which would, alone or together with other related, previous, simultaneous or proposed transfers, whenever made or however effected, result in a change of ten (10%) percent or more of the voting stock or other ownership interest in Franchisee, whether by operation of law or otherwise.

As used in this Item XIV the term "Franchisee" shall be deemed to include the person or persons who control Franchisee as disclosed to Franchisor in writing upon the execution of this Agreement, in the form set forth as Exhibit "B" hereto and incorporated by reference

herein.

(b) If Franchisee receives from a third party, and desires to accept, a bona fide written offer to purchase its business, customer or caregiver list, this Franchisee, the Licensed Rights, or other rights and obligations arising under this Agreement, then Franchisor shall have the option, exercisable within thirty (30) days after written notice and receipt of a copy of such offer and other information set forth in this Item XIV(b), to purchase such business, the franchise, the Licensed Rights, and Franchisee's interest in this Agreement on the same terms and conditions as offered by said third party. If Franchisor does not exercise its option, Franchisee may, within sixty (60) days from the expiration of the option, sell, assign, and transfer its business, franchise, Licensed Rights and other interests hereunder to said third party, provided Franchisor has consented in writing to such transfer and assignment as required by this Item XIV. Any material change in the terms of the offer prior to closing of the sale to such third party shall constitute a new offer, subject to the same rights of first refusal by Franchisor as in the case of an initial offer.

(c) In the event of the death, disability or permanent incapacity of Franchisee (or appointment of a conservator or guardian of the person or estate of Franchisee, or if Franchisee is a corporation or general or limited partnership, then upon the death, insanity, permanent disability of the corporation's principal officer or general partner), Franchisor shall not unreasonably withhold its consent to the transfer of all of the interests of Franchisee to his spouse, heirs or relatives, whether such transfer is made by will or by operation of law, provided that the requirements of Item XIV(d) hereof have been met. In the event that Franchisee's heirs do not obtain the consent of Franchisor as prescribed herein, the personal representative of Franchisee shall have reasonable time to dispose of Franchisee's interest hereunder, which disposition shall be subject to all the terms and conditions for transfers under this Agreement.

(d) Franchisor agrees not to unreasonably withhold its consent to a sale, assignment, transfer or encumbrance by Franchisee hereunder, whether by will, operation of law, or otherwise. Consent to such transfer otherwise permitted or permissible as reasonable may be refused unless:

- (1) All obligations of the Franchisee created by this Agreement are assumed by the transferee;
- (2) All ascertained or liquidated debts of Franchisee to Franchisor are paid;
- (3) Franchisee is not then in default under this Agreement;
- (4) Transferee satisfactorily completes the training required of new Franchisees prior to the date of transfer;
- (5) Franchisee satisfies Franchisor that the Transferee meets all the requirements of Franchisor for new franchise owners, and completes the current franchise application; and
- (6) Franchisee or Transferee pays to Franchisor a transfer fee in the

amount of \$25,000 to cover Franchisor's costs in effecting the transfer and in providing training and other additional assistance to Transferee.

- (7) All other ascertained or liquidated debts of Franchisee are paid or adequate provision has been made therefore;
- (8) Transferee signs Franchisor's then current, standard Franchise Agreement and any other agreements then being required by Franchisor of new franchisees on the date of transfer, although Transferee shall not be required to pay a new initial franchise fee; and
- (9) Franchisee executes a general release in a form satisfactory to Franchisor of any and all claims against Franchisor.

(e) Franchisee may assign its interest hereunder to a corporation approved by Franchisor and in which Franchisee will own legally and beneficially all of the issued and outstanding stock of said Corporation. Such assignee corporation shall be closely held and shall not engage in any business activity other than those directly related to the operation of an AmeriCare business pursuant to the terms and conditions of this Agreement.

If the rights of Franchisee are assigned to a corporation, Franchisee or if Franchisee is a corporation, partnership or other business association, the persons who control Franchisee shall, throughout the term of this Agreement, act as such Corporation's principal officer or officers and directors.

In the event an assignment is permitted and effected hereunder, the present Franchisee/Assignor shall remain and be jointly and severally liable for all monies due Franchisor, and hereby irrevocably guarantees the performance of each and every obligation imposed on the Franchisee herein to be extended as if said Assignment had not taken place.

(f) Franchisee acknowledges and agrees that the restrictions on transfer imposed herein are reasonable and are necessary to protect the Franchise, the Licensed Rights as well as the reputation and image of AmeriCare. Any assignment or transfer permitted by this Item XIV shall not be effective until Franchisor receives a completely executed copy of all transfer documents.

(g) This Agreement is fully and freely assignable by Franchisor, to any party who agrees to fulfill all of the obligations of Franchisor under this Agreement.

I HAVE READ, UNDERSTAND AND EXPRESSLY AGREE TO THE OBLIGATIONS AND REQUIREMENTS OF THIS ITEM XIV.

(SIGNATURE)

ITEM XV
DEFAULT AND TERMINATION

(a) Franchisee hereby acknowledges that strict and exact performance of all terms, obligations and requirements of this Agreement to be performed by Franchisee is necessary not only for the protection of Franchisor and the Licensed Rights, but also for the protection of all franchises now existing or future owners or operators of AmeriCare businesses. It is therefore agreed that any failure by Franchisee to strictly and exactly perform any term, obligation, or requirement imposed on Franchisee in this Agreement shall constitute a default under this Agreement. It is also agreed without limiting the generality of the immediately foregoing sentence, that the occurrence of the following events, whether or not included within the generality of the immediately foregoing sentence, shall constitute a default under this Agreement:

(1) If Franchisee, or any person controlling, controlled by or under common control with Franchisee (not including employees of the Franchisee) shall be adjudicated a bankrupt, becomes insolvent, or if a receiver (permanent or temporary) of its property or any part thereof is appointed by a court of competent authority, if it makes a general assignment for the benefit of its creditors, or if a final judgment remains unsatisfied of record for thirty (30) days or longer (unless supersede as bond is filed), or if execution is levied against Franchisee's business or property, or if suit to foreclose any lien or mortgage against the premises or equipment is instituted against Franchisee and not dismissed within thirty (30) days;

(2) If Franchisee fails to maintain the standards as set forth in this Agreement, and as may be supplemented by the Operations Manual, and said failure shall continue after notification or if Franchisee repeatedly commits violations of such provisions;

(3) If Franchisee suffers a violation of any law, ordinance, rule or regulation of a governmental agency in connection with the operation of the AmeriCare business and permits the same to go uncorrected after notification thereof, unless there is a bona fide dispute as to the application or legality of such law, ordinance, rule or regulation, and Franchisee promptly resorts to courts or forums of appropriate jurisdiction to contest such application or legality;

(4) If Franchisee fails to complete training or open the franchised business within the time frames set out above, or thereafter ceases to do business at the premises or defaults on any lease or sublease or loses its right to the possession of the premises; provided, however, that if the loss of possession is attributable to the proper governmental exercise of eminent domain, or if the premises are damaged or destroyed by a disaster of such nature that the premises cannot be reasonably restored, then Franchisee may relocate to other premises approved by Franchisor for the balance of the term hereof;

(5) If Franchisee shall misuse the Licensed Rights, or otherwise materially impair the goodwill associated therewith or Franchisor's rights therein, or otherwise use any names, marks, systems, insignia or symbols not authorized by Franchisor;

(6) If Franchisee or persons controlling, controlled by or under common control with Franchisee shall have any interest, direct or indirect, in the ownership of or operation of any caregiver business which is similar in concept or in any way imitates AmeriCare businesses or operates in a manner tending to have such effect;

(7) If Franchisee shall fail to remit any payments when due to Franchisor;

(8) If Franchisee shall fail to submit to Franchisor any financial or other information required under this Agreement;

(9) If Franchisee shall fail to operate an AmeriCare business in accordance with the Operations Manual or other manuals or shall fail to conform to the specifications and standards of Franchisor or shall fail in any other way to maintain Franchisor's standards of quality and service in the operation of the business; or

(10) If Franchisee defaults in the performance of any other obligation under this Agreement or any other agreement with or obligation to the Franchisor.

In the event that Franchisee shall breach any provision hereof or otherwise fail to comply with Franchisor's standards and specifications, as outlined in Franchisor's Operations manual or elsewhere, Franchisor shall have the right, without further notice to the Franchisee, to act to cure such breach on behalf of the Franchisee, without being liable for trespass or other tort. In such event, Franchisee shall, within ten days of receipt of notice of such action, reimburse Franchisor for any amounts of money expended in connection with such action by the Franchisor.

(b) Upon occurrence of any event of default specified generally or specifically in sub-items (a)(2) through (10) of this Item XV, Franchisor may, without prejudice to any other rights and remedies contained in this Agreement or provided by law or equity, terminate this Agreement. Such termination shall be effective ten (10) days after written notice is given by Franchisor to Franchisee of the event of default, and of the fact that termination shall so occur unless all of the defaults specified in such notice are cured within such ten (10) day period. If such event of default is, by its nature not curable within such ten (10) day period, Franchisee shall, within such ten (10) day period, commence efforts to cure such default and shall thereafter continue to diligently pursue the cure of such event of default. The Franchisor may terminate this Agreement without prior notice to or right to cure by the Franchisee in the event that the Franchisee has committed four or more violations of this Agreement, for which the Franchisee has received notice of breach, even if such breaches have been cured.

If any applicable law or rule of any jurisdiction requires a greater prior notice of termination of, or the election not to renew this Agreement, or the taking of some other action with respect to such termination or election not to renew than is required hereunder, the prior notice or other action required by such law or rule shall be substituted for the notice or other requirements hereof.

(c) Upon termination, cancellation or expiration of this Agreement, or upon the expiration of the term hereof, Franchisee agrees as follows:

- (1) To pay immediately to Franchisor the full amount of all sums then due under this Agreement;
- (2) Franchisee shall immediately and permanently cease to use or adopt any trade secrets disclosed to it hereunder or any emblems, signs, displays or other property on which Franchisor's name or trade names are imprinted, or any trademarks, service marks, or trade names confusingly similar thereto. It shall not otherwise use or duplicate the AmeriCare System or any portion thereof or assist others in doing so. Franchisee shall remove from its premises all signs, emblems, and displays identifying it as associated with Franchisor or the AmeriCare System. It shall cease to use and shall return to Franchisor the Operations Manual and all other manuals, plans and specifications, designs, records, data samples, models, programs, handbooks, or drawings, and all copies thereof, concerning Franchisor's operations, the AmeriCare System, or the Licensed Rights;
- (3) Franchisee shall change the color scheme and the decor of the premises and shall make or cause to be made such changes in its signs, buildings and structures as Franchisor shall reasonably direct so as to effectively distinguish the same from its former appearance and from any other AmeriCare franchise business, and if the Franchisee fails or refuses to comply herewith, then Franchisor shall have the right to enter upon the premises where said business is being conducted without being guilty of trespass, or any other tort, for the purpose of making or causing to be made such changes at the expense of the Franchisee, which expenses Franchisee shall pay upon demand;
- (4) Franchisee shall cease immediately to hold itself out in any way as a franchisee of AmeriCare, Inc. or do anything which would indicate any past or present relationship between it and Franchisor;
- (5) All rights, claims and indebtedness which may accrue to Franchisor prior to termination, cancellation or expiration of this Agreement shall survive termination, cancellation or expiration and be enforceable.
- (6) Franchisee will immediately notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use any telephone number and any regular, classified or other telephone directory listings associated with the Licensed Marks and to authorize transfer of same to or at the direction of Franchisor. Franchisee acknowledges that as between Franchisor and Franchisee, Franchisor has the sole right to and interest in all telephone numbers and directory listings associated with the Licensed Marks, and Franchisee authorizes Franchisor, and appoints Franchisor and any officer of Franchisor as his/her attorney-in-fact, to direct the telephone company and all listing agencies to transfer same to Franchisor or at its direction, should Franchisee fail or refuse to do so, and the telephone company and all listing agencies may accept this direction or this Agreement as conclusive of the exclusive right of Franchisor in telephone numbers and directory listings and its authority to direct their transfer;
- (7) Franchisee agrees to furnish Franchisor within thirty (30) days after the effective date of termination or expiration evidence satisfactory to Franchisor

of Franchisee's compliance with the foregoing obligations;

(8) Franchisee agrees to pay Franchisor all damages, costs and expenses, including attorney's fees incurred by Franchisor in connection with obtaining any remedy available to Franchisor for any violation of this Agreement and, after the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement.

(9) Franchisee agrees to relinquish state license to operate homecare business to possession of Franchisor.

(d) Franchisor's Option and Obligation to Purchase.

(1) Upon termination, cancellation or expiration hereof, Franchisor shall have the right and option to purchase any equipment and supplies of the franchised business, at their fair market value. Such right or option of the company shall be exercised by giving Franchisee written notice of the exercise of its option within thirty (30) days after termination, cancellation or expiration thereof. Franchisor shall also have the right to require Franchisee to assign to Franchisor the telephone number or numbers used by Franchisee in the operation of the franchised business. Franchisor shall further have the right to assume any lease which Franchisee may have for the premises in which the franchised business is located. Franchisee further acknowledges that the identity of the customers of the franchised business is one of the most valuable assets of the franchised business. Franchisee agrees that Franchisee may not sell its customer list except in strict conformity with the provisions of Item XIV above, and may not disclose the customer list to any person whomsoever, either during the term hereof or within two years thereafter, as provided in Item XVI(b) below. It is further agreed that upon the termination or expiration of this Agreement, the caregiver and customer lists shall become the property of Franchisor, and may not be conveyed or otherwise disclosed by Franchisee.

(2) In the event of termination by expiration of this Agreement, Franchisee shall not remove any of such items prior thereto; and in the event of termination for any other reason hereunder, Franchisee shall not remove such items without Franchisor's consent for thirty (30) days thereafter.

(3) Franchisor's option hereunder is without prejudice to its rights under any security agreement held by it or with respect to which it may have a guarantor's or surety's subrogation interest. If Franchisor exercises any of the foregoing options, it may pay any debts which the Franchisee owes to it and/or to third persons, including but not limited to, utilities and designated suppliers, and shall remit any balance of the purchase price to the Franchisee. There shall be no allowance for goodwill.

ITEM XVI
NON-COMPETITION AND CONFIDENTIALITY

(a) Franchisee and persons controlling, controlled by or under common control with Franchisee will not, without Franchisor's prior written consent:

(1) Have any interest, direct or indirect, in the ownership or operation of any similar caregiver business within the franchise zone or any point within thirty (30) miles thereof, within the term of the Franchise Agreement or one (1) year thereafter;

(2) At any time, during the term of this Agreement or thereafter, use, in connection with the operation of a similar caregiver business wherever located, any of the Licensed Rights or any other names, marks, systems, insignia or symbols, provided by Franchisor to Franchisee pursuant to this Agreement, or cause to permit any such facility to look like, copy or imitate any AmeriCare business operated or to be operated in a manner tending to have such effect.

(3) It is hereby acknowledged by Franchisor and Franchisee that the determined market area for the AmeriCare business is the franchise zone set forth in Exhibit A attached hereto. As one of the conditions of having entered into this Franchise Agreement and licensing this market area, and as mutual consideration for this Agreement, it is hereby acknowledged that Franchisee shall have ~~non-~~exclusive rights to operate the AmeriCare business within said market area, and that Franchisor shall have the right to operate an AmeriCare business or license to others the right to do so, in any area, ~~whether within~~ outside of the ~~franchisee's non-Franchisee's~~ exclusive franchise zone ~~or otherwise~~. It is further acknowledged by Franchisee that Franchisor has expended considerable sums in developing the Licensed Rights and the proprietary information described hereunder, and that to permit Franchisee to compete in any area in which Franchisor is operating a AmeriCare business or otherwise outside of Franchisee's franchise zone would be detrimental to Franchisor and other licensed Franchisees.

(4) Franchisee will not, within two years after the termination or expiration of this Agreement, solicit caregiver work of the type performed by the franchised business, from any past or present customer of the franchised business.

(b) Franchisee and persons controlling, controlled by or under common control with Franchisee shall at all times treat as confidential the Operations Manual, and any other manuals or materials designated for confidential use by Franchisor. It is hereby acknowledged and agreed that the trade secrets and other information pertaining to Franchisor's business and the operation of a AmeriCare business, including but not limited to, instructions for caregivers and for quality contained in the Operations Manual and all other information pertaining to Franchisor's business and the operation of a AmeriCare business, including Franchisee's customer list, and all prints and copies of the foregoing, are confidential. Franchisee and persons controlling, controlled by or under common control with Franchisee hereby covenant and agree not to reveal any part of the foregoing to any other party except as may be appropriate and professionally necessary to operate the AmeriCare business and only while this Agreement is in effect. Franchisee further acknowledges that the unauthorized use or disclosure of such confidential information will cause incalculable and irreparable injury to Franchisor.

(c) Franchisee shall cause any person who is actively involved in the management of the business of Franchisee pursuant to this Agreement at the time of his employment, but not later than at the time of completion of his training course,

to enter into a Confidentiality and Non-Competition Agreement in the form recommended from time to time by Franchisor, which Agreement shall inure to the benefit of and be enforceable by Franchisor. Franchisor reserves the right to require all of the Franchisee's managers, at the outset of the training of such managers, to execute a Non-Competition and Confidentiality Agreement prior to completion of said training course.

ITEM XVII

REPRESENTATIONS AND WARRANTIES OF FRANCHISEE

(a) Franchisee acknowledges and agrees that the operating techniques of Franchisor through its AmeriCare System which includes without limitation its Operations Manual, and the issuance of detailed specifications, are necessary to achieve uniformity and excellence of service, and are of great and equal importance to Franchisor, the Franchisee and the public; that a failure by Franchisee to comply with the provisions of same will reflect adversely on Franchisor and other Franchisees, and will be an imposition upon, and a misrepresentation to, persons doing business with the Franchisee in reliance upon the Franchisor's reputation, trade name and trademarks.

(b) Franchisee hereby represents and warrants that if Franchisee is a corporation or limited liability company it is duly organized and validly existing under the laws of the State of _____. Franchisee further represents and warrants that this Agreement is legal, valid and binding on it and warrants that Franchisee has full power, right and authority to enter into this Agreement and to perform its obligations hereunder, that the execution, delivery and performance of this Agreement by Franchisee has been duly and effectively authorized by all requisite corporate action. Franchisee further represents and warrants that Franchisee is authorized by its creating instrument to enter into this Agreement, and that the persons executing this Agreement on behalf of Franchisee have full power, right and authority to enter into this Agreement and to obligate Franchisee hereunder.

(c) Franchisee hereby represents and warrants that the execution, delivery and performance of this Agreement will not violate any agreements of Franchisee or its principals with any persons or entities, whether written or oral and that entering into this Agreement is not an infringement upon the proprietary rights of other persons or entities.

(d) Franchisee hereby agrees to indemnify and hold Franchisor harmless from and against any liability, loss, or damage Franchisor may incur, including reasonable attorney's fees, as a result of claims, demands, costs or judgments of any kind of nature, by anyone whomsoever, arising out of or in connection with the representations and warranties made hereunder. Franchisee further agrees that it will be liable for and will promptly pay to Franchisor all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor in obtaining money damages or injunctive or other relief in connection with this Franchise Agreement.

ITEM XVIII

MISCELLANEOUS - GENERAL PROVISIONS

(a) **Marketing Information.** Franchisor shall have the right from time to time to require Franchisee to furnish requested marketing information based on Franchisee's

records, which information will be used by Franchisor in making surveys and analyses designed to benefit and improve the business and operating results of Franchisee or other AmeriCare franchisees. Franchisee, upon such request, shall promptly furnish such information.

(b) Improvements to System. Any and all improvements in the AmeriCare System developed by Franchisee, Franchisor or other Franchisees shall be and become the sole and absolute property of Franchisor, and Franchisor may incorporate the same in the AmeriCare System and shall have the sole exclusive right to copyright, register and protect such improvements in the Franchisor's own name to the exclusion of Franchisee, whose right to use such improvements is limited to its rights as a Franchisee hereunder.

(c) Governing Law, Venue and Choice of Law

This Agreement and the rights of the parties will not take effect unless and until this Agreement is accepted and signed by Franchisor. Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946, this Agreement shall be interpreted, construed, and enforced in accordance with the laws of the State of Georgia (without reference to its conflict of laws principles), excluding any law regulating the sale of franchises or governing the relationship between a Franchisor and Franchisee, unless the jurisdictional requirements of such laws are met independently without reference to this Section. All matters relating to arbitration are governed by the Federal Arbitration Act. References to any law or regulation refer also to any successor laws or regulations or any published regulations for any statute as in effect at the relevant time. References to a governmental agency also refer to any successor regulatory body that succeeds the function of such agency.

Franchisee acknowledges that this Agreement is entered into in Cobb County, Georgia, and that any action, other than an action seeking injunctive relief, sought to be brought by either party, except those claims required to be submitted to arbitration shall be brought in the appropriate state court located in Cobb County, Georgia, or in the United States District Court for the Northern District of Georgia, Atlanta Division, located in Atlanta, Georgia. Franchisee waives all questions of personal jurisdiction or venue for the purposes of carrying out this provision. The exclusive choice of jurisdiction and venue governs except that claims for injunctive relief may be brought by Franchisor where Franchisee is located. This exclusive choice of jurisdiction and venue provisions shall restrict the ability of the parties to confirm or enforce arbitration awards in any appropriate jurisdiction or the full faith and credit of any judgment obtained.

(d) Cumulative Rights Remedies

No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be in addition to every other right or remedy. Nothing herein contained shall bar Franchisor's right to seek injunctive relief against threatened conduct that shall cause it loss or damages including obtaining restraining orders, preliminary and permanent injunctions.

(e) 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 Franchisee

or Franchisor knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to or the claim.

(f) Limitation of Damages

Franchisee and Franchisor 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. Franchisee waives and disclaims any right to consequential damages in any action or claim against Franchisor concerning this Agreement or any related agreement. In any claim or action brought by Franchisee against Franchisor concerning this Agreement, Franchisee's contract damages shall not exceed and shall be limited to refund of Franchisee's Franchise and Royalty Fee payments, subject to applicable state law.

(g) Waiver of Jury Trial

Franchisee and Franchisor each irrevocably waive trial by jury in any action, whether at law or equity, brought by either of them.

(h) 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.

(i) **Severability.** If any provision of this Agreement or the application of any provision to any person or to any circumstances shall be determined to be invalid or unenforceable, then such determination shall not affect any other provision of this Agreement or the application of such provision to any other person or circumstance, all of which other provisions shall remain in full force and effect; and it is the intention of Franchisor and Franchisee that if any provision of this Agreement is susceptible to two or more constructions, one of which would render the provision enforceable and the other or others of which would render the provision unenforceable, then the provision shall have the meaning which renders it enforceable.

(j) **Waiver.** The failure of either party to exercise any power given either party hereunder or to insist upon strict compliance by either party with its obligations hereunder shall not, and no custom or practice of the parties at variance with the terms hereof shall, constitute a waiver of either party's right to demand exact compliance with the terms hereof.

(k) **Time.** Time is of the essence of this Agreement.

(l) **Survival of Covenants.** The covenants and agreements made by Franchisee hereunder shall be perpetual and shall survive the expiration or termination of this Agreement.

(m) **Notices.** All notices hereunder shall be in writing and shall be duly given if hand delivered, sent by reputable overnight delivery such as Federal Express, or sent by certified mail, return receipt requested, addressed:

- (1) If to Franchisor at: 1300 Parkwood Circle, Suite 100, Atlanta GA 30339
- (2) If to Franchisee at: _____
or at such other address as Franchisor shall have specified by notice to the other party hereunder. Notice given as aforesaid shall be deemed received on the date of actual receipt.

(n) **Entire Agreement.** This Agreement constitutes the entire agreement between Franchisor and Franchisee and supersedes all prior negotiations, commitments, representations and undertakings of the parties with respect to the subject matter hereof. 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. No change, termination or attempt waiver of any provisions of this Agreement shall be binding upon the parties hereto unless in writing and signed by Franchisor and

Franchisee.

(o) **Joint and Several Obligations.** If the Franchisee consists of more than one person, their liability and obligation under this Agreement shall be deemed to be joint and several.

(p) **Counterparts, Paragraph Titles, Pronouns.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The paragraph headings in this Agreement are for convenience of reference only, and shall not be deemed to alter or affect any provision thereof. Each pronoun used herein shall be deemed to include the other number and genders.

ITEM XIX ACKNOWLEDGMENTS

Franchisee hereby acknowledges the following:

(a) That it has conducted an independent investigation of the business contemplated by this Agreement and recognizes that it involves business risks making the success of the venture largely dependent upon the business abilities of Franchisee, and Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by this Agreement.

(b) That it has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, agents or servants, about the business contemplated by this Agreement that are contrary to the terms of this Agreement or the documents incorporated herein. Franchisee represents as an inducement to his entry into this Agreement, that it has made no misrepresentations in obtaining this Agreement.

(c) That Franchisee has received read and understood this Agreement and that Franchisor has fully and adequately explained the provisions of each to its satisfaction, that Franchisee has had the opportunity to meet with Franchisor to ask questions and receive answers about the franchise and to obtain additional information for verification purposes.

(d) That Franchisee has carefully read and understands the terms of this Agreement, and has, to the extent Franchisee felt necessary, discussed its requirements and other applicable limitations with its counsel.

(e) That Franchisee, together with his advisers, has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in an AmeriCare business and making an informed investment decision with respect thereto.

(f) That Franchisee is aware of the fact that other present or future franchisees of Franchisor may operate under different forms of Agreement, and consequently that Franchisor's obligations and rights with respect to its various franchisees may differ materially in certain circumstances.

(g) That Franchisee has received all information about the financial status of Franchisor, the Licensed Rights, the franchising program of Franchisor, and all other matters to which it requested access.

These Acknowledgements do not ~~waive any liability the franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder apply in the State of Washington.~~

ITEM XX.
EFFECTIVE DATE

This Agreement shall be effective as of the date first above written.

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

HHCI, LLC

_____	_____	By: _____	_____
Attest	Date	Richard Houden CEO	Date

FRANCHISEE(S)

_____	_____	By: _____	_____
Witness or Attest	Date		Date

_____	_____	By: _____	_____
Witness or Attest	Date		Date

State Law Appendix

California State Law Appendix

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

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE OFFERING CIRCULAR 14 DAYS PRIOR TO EXECUTION OF THE FRANCHISE AGREEMENT.

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 disclosure document.
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, transfer 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 franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law. (11 U.S.C.A. Sec. 101 et seq.).
5. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
6. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
- ~~7. For franchises in California, the initial fees and payments are not due until we have completed all of our pre-opening obligations to you and you have opened your franchised business.~~
- 8.7. The franchise agreement requires application of the laws of Georgia. This provision may not be enforceable under California law.

~~9-8.~~ 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.

~~10-9.~~ 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).

~~11-10.~~ Our website, www.AmeriCareInfo.com, 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.ebedpfi.ca.gov.

~~12.~~ The California Department of Financial Protection and Innovation has determined that ~~either we, the franchisor has~~ Franchisor, have not demonstrated ~~it has that we are~~ adequately capitalized and/or that the franchisor we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition:

~~13-11.~~ Payment, which requires that we defer the collection of all initial fees ~~is postponed from California franchisees until after we have completed~~ all of ~~franchisor's initial our pre-opening~~ obligations ~~are complete~~ and ~~franchisee is you~~ are open for business.

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

Section 31512.1 Franchise Agreement Provisions Void as Contrary to Public Policy:

Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

- (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee;
- (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents;
- (c) Reliance by a franchisee on the franchise disclosure document, including

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.

The provision in the Franchise Agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under the federal bankruptcy law (11 U.S.C. Section 101 et seq.).

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.

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

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.

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 rights 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. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

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

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

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

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

Prospective Franchisee

WASHINGTON FRANCHISE AGREEMENT ADDENDUM

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

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

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

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those

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

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

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

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

In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business.

The Acknowledgements contained in Item XIX of the Franchise Agreement do not apply in the state of Washington.

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

The undersigned does hereby acknowledge receipt of this addendum. Dated this _____ day of _____ 20_____.

FRANCHISOR
FRANCHISEE

EXHIBIT A

FRANCHISED ZONE

TERRITORY: The territory shall be as follows:

EXHIBIT B

ACKNOWLEDGMENT REGARDING CONTROLLING PERSONS

(If franchisee is not an individual)

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

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

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

<u>Name</u>	<u>Type of Ownership (Legal or Beneficial)</u>	<u>Percentage of Interest Owned</u>
_____	_____	_____
_____	_____	_____

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

FRANCHISEE (S):

Witness

By: _____

Title: _____

Dated: _____

Witness

By: _____

Title: _____

Dated: _____

PERSONAL GUARANTY

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

GUARANTORS

Witness

Guarantor Signature

Date: _____

**EXHIBIT D
TO FRANCHISE DISCLOSURE DOCUMENT
SCHEDULE OF STATE ADMINISTRATORS AND AGENTS
FOR SERVICE OF PROCESS**

California:

AGENT FOR SERVICE OF PROCESS AND ADMINISTRATOR

Commissioner of Financial Protection and Innovation
Department of Financial Protection and Innovation
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
(651) 539-1600

Agent For Service of Process

Commissioner of Commerce
85 7th 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 – Agent for Service of Process
150 Israel Road, SW
Tumwater Washington 98507-9033
(360) 902-8760

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

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

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE OFFERING CIRCULAR 14 DAYS PRIOR TO EXECUTION OF THE FRANCHISE AGREEMENT.

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 Disclosure Document.
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, transfer 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 franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law. (11 U.S.C.A. Sec. 101 et seq.).
5. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
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. For franchises in California, the initial fees and payments are not due until we have completed all of our pre-opening obligations to you and you have opened the franchised business.~~
- ~~8.7.~~ 8.7. The franchise agreement requires application of the laws of Georgia. This provision may not be enforceable under California law.

9.8. 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.

10.9. 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).

11.10. Our website, www.AmeriCareInfo.com, has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation at www.dfpi.ca.gov.

12.—The California Department of Financial Protection and Innovation has determined that ~~either we, the franchisor has Franchisor, have~~ not demonstrated ~~it has that we are~~ adequately capitalized ~~and/or that the franchisor we~~ must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition:

13.11. ~~Payment, which requires that we defer the collection~~ of all initial fees ~~is postponed from California franchisees~~ until ~~after we have completed~~ all of ~~franchisor's initial~~ our pre-opening obligations ~~are complete~~ and ~~franchisee is you~~ are open for business.

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

Section 31512.1 Franchise Agreement Provisions Void as Contrary to Public Policy:

Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

- (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee;
- (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents;
- (c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto;
- (d) Violations of any provision of this division.

The undersigned does hereby acknowledge receipt of this addendum. Dated this _____ day of _____ 20____.

FRANCHISOR
FRANCHISEE

Illinois State Law Appendix

Illinois law governs the agreements between the parties to this franchise.

Your rights upon termination and non-renewal of a franchise 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 provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

The Home Health, Home Services, and Home Nursing Agency Code is set forth in the Illinois Administrative Code at: 77 ILL. Adm. Code 245 (2015)

Payment of Initial and Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

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

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.

The provision in the Franchise Agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under the federal bankruptcy law (11 U.S.C. Section 101 et seq.).

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.

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

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 rights 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. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

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

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

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including

fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

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.

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

WASHINGTON FRANCHISE AGREEMENT ADDENDUM

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

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

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

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

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable

estimated or actual costs in effecting a transfer.

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

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

In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business.

The Acknowledgements contained in Item XIX of the Franchise Agreement do not apply in the state of Washington.

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

The undersigned does hereby acknowledge receipt of this addendum. Dated this _____ day of _____ 20_____.

_____ FRANCHISOR

_____ FRANCHISEE

**EXHIBIT F
TO FRANCHISE DISCLOSURE DOCUMENT**

**LIST OF AREA REPRESENTATIVES AND THEIR TERRITORIES
AS OF DECEMBER 31, ~~2021~~2023**

ARIZONA

David Kafora

Mr. David Kafora acts as our Area Representative for Arizona since August 21, 2017. Since 2013, Mr. Kafora has been the owner of multiple Orange Theory Fitness Studios throughout the Phoenix area. From 2010 to 2014, Mr. Kafora held various positions at Life Care Centers of America including Regional Vice President and Executive Director.

Matt Kafora

Mr. Matt Kafora acts as our Area Representative for Arizona since August 21, 2017. In addition to AmeriCare Mr. Kafora also owns multiple Orange Theory Fitness Studios locations across Arizona: Surprise, Glendale, Goodyear, Phoenix, Moon Valley, Scottsdale, Downtown Arizona, and Lake Pleasant areas. He is also a partner in K9-Games Dog & Puppy Training.

CALIFORNIA

Kevin Rasmussen

Mr. Kevin Rasmussen acts as our Area Representative for the San Francisco Bay Area since June 7, 2020. Mr. Rasmussen was previously an executive at Walmart in the eCommerce Division and was also the head of eCommerce for a Zume, a supply chain company that focuses on providing environmentally-conscious food packaging.

Michel Kerdiles

Mr. Michel Kerdiles acts as our Area Representative for the Orange County area since September 8, 2020. Mr. Kerdiles has over thirty years' experience in the Medical Device industry serving primarily the acute care hospital and surgery center markets in France and Internationally. His focus was to develop and commercialize new technologies and treatment solutions to improve patient care and outcomes.

GEORGIA

Eric Johnson became the Area Representative for the South Georgia area in 2022. Most recently, he served as Senior Vice President of Marketing at Flowers Foods & Subsidiaries, from 2018 to 2020. Prior to that he held the position of Executive Director of Global Marketing for Sealed Air Corporation, from 2016-2018, in Charlotte, NC.

MARYLAND

Tara and Steven Blahut

Ms. Tara Blahut acts as our area representative for the central Maryland area since June 4, 2021. Ms. Blahut has worked for over 20 years in the areas of elder care, advocacy, and counseling. Prior to starting ameriCARE Mid-Atlantic, she worked as an

activities director in multiple assisted living facilities and as a care services ombudsman in the state of Maryland.

Mr. Steven Blahut acts as our area representative for the central Maryland area since June 4, 2021. Mr. Blahut has been in the healthcare field for over 20 years. He has held leadership positions at some of the largest and most prestigious bio-pharma consulting firms and medical schools in the industry.

NORTH CAROLINA

Carolina Professional Management, LLC

Our Predecessor entered into an Area Development Agreement with Carolina Professional Management, LLC, on August 15, 2005, in which we sold to that company the right to act as our Area Representative for the counties of Alamance, Beaufort, Bertie, Bladen, Brunswick, Camden, Carteret, Caswell, Chatham, Chowan, Columbus, Craven, Cumberland, Currituck, Dare, Duplin, Durham, Edgecombe, Franklin, Gates, Granville, Greene, Guilford, Halifax, Harnett, Hertford, Hoke, Hyde, Johnston, Jones, Lee, Lenoir, Martin, Montgomery, Moore, Nash, New Hanover, Northampton, Onslow, Orange, Pamlico, Pasquotank, Pender, Perquimans, Person, Pitt, Randolph, Sampson, Tyrrell, Vance, Wake, Warren, Washington, Wayne and Wilson in Eastern North Carolina. On February 7, 2007 we entered into an additional agreement with Carolina Professional Management, LLC, to include the entire state of North Carolina, as well as, the entire state of South Carolina. Carolina Professional Management, LLC was organized for the purpose of entering into the Area Development Agreement and also acts as the member-manager for a single AmeriCare unit in Raleigh, in which it has an ownership interest. It has one officer, who is listed below.

Wayne Wampler – Member Manager

Mr. Wampler is a Member/Manager of Carolina Professional Management, LLC, which acts as our Area Representative for the above listed state South Carolina. From 2000 until 2006, Mr. Wampler was a Manager of Pinnacle Health Services, LLC. From 2000 until 2006, Mr. Wampler was a Member of Outpatient Imaging Affiliates, LLC. From 2002 to 2005, Mr. Wampler was a Manager & Administrator of Premier Physical Therapy & Rehabilitation. From 2002 to 2005, Mr. Wampler was a Manager of MedEx Urgent Care. From 1986 to 1998, Mr. Wampler has developed, built and operated Fayetteville Diagnostic Center.

PENNSYLVANIA

Dr. Nayli Russo-Long Dr Nayli Russo-Long became an Area Representative for the Pittsburgh market in August 2022. Dr. Long also serves as the Vice President of People & Strategies for the Pittsburgh Pirates organization, starting in April 2020. Prior to that, she held the position of Chief of Staff, Office of the President, at Highmark Inc., in the Greater Pittsburgh Pennsylvania area, from May 2016 through April 2020.

Dr. Shawn Long Dr. Shawn Long became the Area Representative for the Greater Pittsburgh territory in August 2022. He is also the Medical Director for MedExpress and the Medical Director for Virtual Care with Optum in Pittsburgh. Prior to those roles Dr. Long served as Chief Medical Officer for the Western Maryland Healthcare Corporation from 2015 to 2022, in Oakland Maryland.

SOUTH CAROLINA
Carolina Professional Management, LLC

Our Predecessor entered into an Area Development Agreement with Carolina Professional Management, LLC, on August 15, 2005, in which we sold to that company the right to act as our Area Representative for the Eastern portion of North Carolina. On February 7, 2007 we entered into an additional agreement with Carolina Professional Management, LLC, to include the entire state of North Carolina, as well as, the entire state of South Carolina. Carolina Professional Management, LLC was organized for the purpose of entering into the Area Development Agreement and also acts as the member-manager for a single AmeriCare unit in Raleigh, in which it has an ownership interest. It has one officer, who is listed below.

Wayne Wampler - Member Manager

Mr. Wampler is a Member/Manager of Carolina Professional Management, LLC, which acts as our Area Representative for the above listed state South Carolina. From 2000 until 2006, Mr. Wampler was a Manager of Pinnacle Health Services, LLC. From 2000 until 2006, Mr. Wampler was a Member of Outpatient Imaging Affiliates, LLC. From 2002 to 2005, Mr. Wampler was a Manager & Administrator of Premier Physical Therapy & Rehabilitation. From 2002 to 2005, Mr. Wampler was a Manager of MedEx Urgent Care. From 1986 to 1998, Mr. Wampler has developed, built and operated Fayetteville Diagnostic Center.

TEXAS
Martin Baylor

Mr. Martin Baylor acts as our Area Representative for the Fort Worth area since March 16, 2020. Prior to AmeriCare, Mr. Baylor worked for various institutions under The University of Texas System and Texas A&M University System in business administration for over 30 years.

Clayton Smith

Mr. Clayton Smith acts as our Area Representative for the Fort Worth area since March 16, 2020. Before AmeriCare, Mr. Smith was an Auditor & Certified Public Accountant (CPA) for the Department of Defense at multiple major defense contractors in Fort Worth.

Dr. Rohith Saravanan

Dr. Rohith Saravanan acts as our Area Representative for the Austin, Dallas, and San Antonio areas since March 17, 2022. Before joining the AmeriCare franchise system, Dr. Saravanan was the West Regional Chief Medical Officer for the Steward Health Care Medical System.

VIRGINIA
Brannon Howle

Mr. Brannon Howle acts as our Area Representative for the Richmond, Virginia area since May 7, 2021. Before AmeriCare, Mr. Howle served as the Vice President, National IT Partnership & Portfolio Services at the Federal Reserve Information Technology for over 13 years.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Disclosure Document with respect to our Area Representative in California.

ITEM 4
BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item with respect to our California Area Representative.

**EXHIBIT G
TO FRANCHISE DISCLOSURE EDOCUMENT
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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:

STATE	EFFECTIVE DATE
California	April 28, 2022 <u>July 16, 2024</u>
Hawaii	April 13, 2022
Illinois	April 30, 2022 <u>19, 2024</u>
Indiana	<u>May 6 2024</u>
Maryland	February 14, 2023 <u>December 23, 2024</u>
Michigan	December 22, 2022 <u>26, 2024</u>
Minnesota	April 22, 2024
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	October 19, 2022 <u>2024</u>
Washington	November 14, 2022 <u>October 18, 2024</u>
Wisconsin	

Other states may require registration, filing or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

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 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 15, April 20, 2025~~2023.

Richard Houden and Anna Bradley serve as the franchise seller 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 15, April 20, 2025~~2023, including:

- List of franchisees as of December 31, ~~2022~~2024. (Exhibit "A")
- Franchisor's audited financial statements as of December 31, ~~2022~~2024, December 31, ~~2021~~2023 and December 31, ~~2020~~2022 (Exhibit "B")
- Franchise Agreement (Exhibit "C")
- List of State Administrators and Agents For Service of Process (Exhibit "D")
- State Law Appendix (Exhibit E)
- List of our Area Representatives (Exhibit F)
- Table of Contents of our Operations Manual (Exhibit G).

Witness

Signature of Prospect

Date

Printed Name

Address

City, County, State & Zip

**ITEM 23
RECEIPT**

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- Franchise Agreement (Exhibit "C")
- List of State Administrators and Agents For Service of Process (Exhibit "D")
- State Law Appendix (Exhibit E)
- List of our Area Representatives (Exhibit F)
- Table of Contents of our Operations Manual (Exhibit G).

Witness _____ Signature of Prospect _____

Date _____ Printed Name _____

Address _____

City, County, State & Zip _____

(Please sign and ate this copy and return it to HHCI, LLC)