FRANCHISE DISCLOSURE DOCUMENT

Hallmark Homecare, LLC
A Nevada limited liability company
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Hallmark Homecare, LLC. ("**HHC**") offers franchises for the operation of a domestic referral agency that operates under the Hallmark Homecare mark and system and provides caregiver search, recruitment and placement services to the elderly and other individuals seeking in-home non-medical personal care and companionship ("**Hallmark Businesses**").

The total investment necessary to begin operation of a single-territory Hallmark Business ranges from $109,500 to $134,500. This includes $59,500 that must be paid to the franchisor or its affiliates.

The total investment necessary to begin operation of a multi-territory Hallmark Business comprising of between two to five territories is between $149,500 to $279,500. This includes $99,500 to $204,500 that must be paid to the franchisor or 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 governmental agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Steve Everhart at 774 Mays Blvd., Suite 10-297, Incline Village, Nevada 89451 (Tel. 888-519-2500) or at steve@hallmarkhomecare.com.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance date of this Franchise Disclosure Document: March 27, 2026

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 Exhibits A and A-1.
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 by the only Hallmark Homecare 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 Hallmark Homecare franchisee?	Item 20 or Exhibits A and A-1 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 documents 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 training materials 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 that 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 litigation only in Nevada. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more the litigate with the franchisor in Nevada than in your own state.

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.

3. **Mandatory Minimum Payments.** You must make minimum royalty and marketing fee payments, regardless of your sales levels beginning three months after you sign. Your inability to make the payments may result in 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.

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

Pursuant to the provisions of the Michigan Franchise Investment Law, MCL 445.1501, et. seq., Hallmark Homecare, LLC. provides the following notices and disclosures to potential franchisees 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 of the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years; and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchisee 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 franchisee 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 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 shall be directed to the Department of Attorney General, Consumer Protection Division, 670 Law Building, 525 West Ottawa Street, Lansing, Michigan 48913, (517) 335-7567.

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Item 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

In this disclosure document, "**we**", "**our**" or "**HHL**" means Hallmark Homecare, LLC., the franchisor. "**You"** or **"Franchisee"** means the person or entity who buys the franchise, including all equity owners of a corporation, general partnership, limited partnership, limited liability, or any other type of entity (an **"Entity"**). If you are an Entity, each individual with direct or indirect ownership interest shall be referred to as an **"Owner**."

HHL is a Nevada limited liability company that was formed on December 19, 2022. Our principal place of business is 774 Mays Blvd, Suite 10-297, Incline Village, Nevada 89451. To the extent that we have designated agents for service of process in other states, they are listed in Exhibit D.

We operate under our corporate name "Hallmark Homecare." We began offering Hallmark Homecare® franchises in February 2023.

Affiliates and Predecessors. Hallmark Homecare, Inc. ("**HHI**"), a Nevada corporation, incorporated on October 31, 2011, is our parent company and our only predecessor. HHI's principal business address is 774 Mays Blvd, Suite 10-297 Incline Village, Nevada 89451. HHI offered Hallmark franchises during certain times from 2019 to 2022. HHI guarantees our performance under our franchise agreements.

XL Operations, LLC ("XL") a Nevada limited liability company is an affiliate whose principal business address is 1418 Briarhaven TRL Atlanta, Georgia 30319. XL owns our exclusively branded, proprietary franchise operating system HallmarkXL ("HXL"). The Manager of HXL is Richard Rosensweig, President of OvertureXL.

The Dentist's Choice, Inc., a Nevada corporation, is an affiliate whose principal business address is 9070 Irvine Center Drive, Irvine, California 92618. Steve and Nona Everhart, our owners, own all of the shares of TDC. TDC offers franchises to develop and operate dental handpiece repair businesses under The Dentist's Choice mark. TDC has offered these franchises from December 1994 and as of December 31, 2025 had 140 franchised units.

Our affiliates do not currently offer franchises in any other line of business or provide products or services to our franchisees.

The Business and Franchises Offered. The franchise offered is a Hallmark Homecare® business (a "**Franchised Business**") that offers caregiver search, recruitment, and placement services to the elderly and others (the "**Services**"). Franchised Businesses identify, recruit, screen, and refer suitable persons ("**Caregivers**") to provide personal care, homemaking, and companionship services to persons requesting such services ("**Clients**") in a variety of settings. Clients generally include the elderly or disabled persons needing assistance with the activities of daily living including bathing, toileting, ambulation, medication reminders, incidental transportations, meal preparation and eating, and shopping and errands, as well as simple companionship and safety supervision for cognitively-impaired individuals. The Services are non-medical in scope and nature and are paid either privately by Clients or through third-party payors such as insurance companies.

Franchised Businesses operate under the "Hallmark Homecare®" service mark and such other trademarks, trade names, service marks, logos, and designs that we may designate now and in the future (the "**Marks**") and our proprietary business system (the "**System**"). The System includes our mandatory and suggested policies, methods, procedures, standards, specifications, rules, and requirements for business operations (**"System Standards"**), copyrighted materials, including our confidential operations training materials (the **"Training Materials**"), and other forms of confidential information and other information, knowledge, policies and practices, all of which may be improved, expanded, further developed or otherwise modified from time to time.

You may purchase the right to develop and operate a Franchised Business within a protected territory that will specify (the "**Protected Territory**") in the Franchise Agreement that we and you will execute (the **"Franchise Agreement"**). Our current form of Franchise Agreement is included as **Exhibit A** to this Disclosure Document. You may purchase the right to operate in up to five (5) Protected Territories under a single Franchise Agreement. Under the Franchise Agreement, you have no right to use the Marks or the System to provide Services to Clients located anywhere outside of the Protected Territories or in any wholesale, e-commerce, or other channel of distribution.

As a domestic referral service, your Franchised Business will provide Client Liaison and Caregiver Fulfillment Services.

> The "**Client Liaison Services**" include (i) after receiving a client referral, using best efforts in a reasonable timeframe to make contact with the client and/or responsible party, (ii) conducting a thorough interview of the client's care needs, (iii) attempting to "close" on the sale of Services to the client, (iv) securing all required legal agreements with the client and/or responsible party, (v) using best efforts to fill the placement requirements by providing the Caregiver Fulfillment Services.
>
> The "**Caregiver Fulfillment Services**" include (i) using best efforts to search for and recruit qualified caregivers to be placed with clients in a timely manner, (ii) vetting the potential caregivers in accordance with our then-current standards, including by acquiring a copy of their driver's license and evidence of insurance (if any), verifying their credentials, performing background checks, and verifying their professional and personal references, and (iii) securing all required legal agreements with the caregivers.

If you are an Entity, you must designate an Owner with at least a 10% ownership interest in your Entity as the **"Principal Owner."** The Principal Owner must have authority over all business decisions related to your Franchised Business and must have the power to bind you in all dealings with us. In addition, you may appoint a trained manager to manage the day-to-day business of your Franchised Business.

Market and Competition. The market for the Services generally is well-developed and competitive. The market for Services, however, is growing as the population ages. You will compete with other national and local businesses performing similar services to the elderly and others, including sole proprietors, other franchised networks, and other national, regional, or local brands.

Industry Regulations. You must comply with all federal, state, and local laws and regulations applicable to businesses generally, including, without limitation, laws and regulations related to workers' compensation, occupational health and safety, minimum wage, overtime, working conditions, discrimination, sexual harassment, tax, consumer

protection, environmental protection, citizenship and/or immigration status (including laws requiring verification of status through the Department of Homeland Security's E-Verify program), and reasonable accommodations for employees and customers with disabilities (including the Americans with Disabilities Act).

You must ensure that your computer system and any devices used to process credit card transactions are in compliance with the most current Payment Card Industry Data Security Standards (PCI-DSS). You also must comply with all applicable federal and state laws and regulations relating to the collection, use, and security of personal information and comply with any privacy policies or data protection and breach response policies we periodically may establish.

In addition, you must comply with all applicable laws related to the health care industry and the operation of a domestic referral agency, including obtaining any permits, licenses, or accreditations that may be necessary (such as a home health agency license, nurse staffing agency license, and employment agency license).

We do not assume any responsibility for advising you on these regulatory or legal matters. You should consult with your attorney about federal, state, and local laws and regulations that may affect your Franchised Business. You should determine the availability of required permits or licenses, as well as the steps that must be taken to obtain them, before purchasing a Franchised Business. Compliance with these laws and regulations, as they may be amended from time to time, can increase your operational costs and affect your bottom line.

Item 2

BUSINESS EXPERIENCE

Chief Executive Officer: Steve Everhart

Steve has been our Chief Executive Officer and our Managing Member, since our formation in December 2022. He has also served as Chief Executive Officer and a Director of HHI since he founded the company in October 2011. Since October 1998, Steve has served as President and Chief Executive Officer and a Director of TDC in Incline Village, Nevada. From 1999 to February 2019, Steve also served as President and Chief Executive Officer and a Director of The Senior's Choice, Inc. ("**TSC**") in Incline Village, Nevada. He serves in his present capacities in Incline Village, Nevada.

President: Tony Fulton

Tony has been our President since May 2023 having first joined our team as Board Member and Special Advisor to Franchise Partners in April 2023. He is the Founder, Owner, and President of Guardian Angels Homecare, Inc. in Lincoln, Nebraska, a member company of our affiliate, TSC, since 2003. During this time Tony also served two terms as Nebraska State Senator

(2007-2013) and as Nebraska's 22nd Tax Commissioner (2016-2022). He has also served on numerous Boards of Directors since he began his career in 1997. He serves in his present capacities in Lincoln, Nebraska.

Chief Operating Officer: Julie-Ann Parrott

Julie-Ann has been our Chief Operating Officer since our formation in January 2023. She has also served as Chief Operating Officer of HHI since October 2022. From 2003 to September 2022, Julie-Ann was the Co-Founder and Chief Operating Officer of RetireEASE Senior Services, a member company of our affiliate TSC, in Lugoff, South Carolina. She serves in her present capacities in Columbia, South Carolina.

Chief Growth Officer: Mike McLain

Mike has been our Chief Growth Office since our formation in January 2023. He also served as President of HHI since April 2021. Since 1996, Mike has been the President and owner of Altus Recruiting in Tustin, California. He serves in his present capacities in Irvine, California.

Chief of Staff: Kelly Glennon

Kelly has been our Chief of Staff since our formation in January 2023. She also served as the Chief of Staff of HHI since September 2014. Prior to that she was the Director of Operations for Encore Senior Homecare in Excelsior, MN for three years and served in a similar capacity for Beehive Homes Memory Care Facility of Excelsior for equal duration. She serves in her present capacities in Donnelly, Minnesota.

Director of Training & Development: Laurie Owen

Laurie has been the Director of Training & Development since joining us in September 2023. Prior to that, she spent over 19 years at Home Instead Senior Care reporting directly to the owners and serving in development, training and performance coaching roles where she was instrumental in designing training programs for franchisees. She serves in her present capacities in Omaha, Nebraska.

Director of Franchise Performance Coach: Holly Rogers

Holly started as a Franchise Performance Coach in August 2023 and was promoted to Director of Franchise Performance Coach in August 2024. Prior to that, she was a Business Performance Coach at Home Instead Senior Care for three years where she coached underperforming offices, helping them navigate challenges and guiding them toward sustainable growth. Prior to that role, she spent 15 years as a District Manager at a major retailer. She serves in her present capacities in Omaha, Nebraska.

Franchise Performance Coach: Kara Rose

Kara joined us as a Franchise Performance Coach in July 2025. Prior to joining Hallmark Homecare, she was a care advisor with Family Tree Private Care in Houston, TX, later advancing

into business development for the firm. Most recently Kara served as a Field Consultant with Cornerstone Caregiving where she supported fifty offices throughout the US. She earned a B.S. in Public Health with an emphasis on the aging population from Texas Woman's College, and she is a Certified Health Education Specialist focused on promoting quality of life for elders. She serves in her present capacities in Houston, TX.

Franchise Performance Coach: Leah Ray

Leah joined us as a Franchise Performance Coach in December 2025. Prior to joining Hallmark Homecare, Leah served as a Field Consultant and Operating Director with Cornerstone Caregiving, where she coached leaders nationwide to strengthen performance and scale operations. She holds degrees in International Business and Business Management and has served in professional leadership roles, including Chamber and industry associations. She serves in her present capacities in Memphis, TN.

Item 3

LITIGATION

On November 7, 2025 Hallmark Homecare, LLC ("Franchisor") filed a civil action in the Circuit Court of the Fifteenth Judicial Circuit in and for Palm Beach County, Florida (Case Number 50-2025-CA-011636-XXXA-MB) against Randmar, LLC, a former franchisee, and related entities and individuals, including Marshall Davis, Randall Bloom, Glades Home Care, LLC, Glades Staffing Services, LLC, and Glades Care Partners, LLC. The complaint alleged breach of the Franchise Agreement and related personal guarantees, including alleged violations of confidentiality and post-termination non-competition provisions, as well as claims for tortious interference and unjust enrichment against certain affiliated third parties. The Franchisor sought injunctive relief and monetary damages, including an award of Franchisor's costs and attorneys' fees incurred in bringing the action. Prior to initiating the litigation, the Franchisor issued cease-and-desist demands to Randmar, LLC and certain affiliated entities.

On February 20, 2026, the court entered a Consent Order and Stipulated Injunction resolving the action pursuant to a settlement between the parties that included injunctive and monetary relief. Bloom and Davis agreed and stipulated that there appeared to be a likelihood of Franchisor's success on the merits of Franchisor's action, agreed to cease competing with Franchisor and its franchisees for a period of two (2) years, and are permanently prohibited from using, misappropriating, and/or disclosing any of Franchisor's confidential information. The order was entered by stipulation of all parties without adjudication of liability.

Item 4

BANKRUPTCY

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

Item 5

INITIAL FRANCHISE FEE

You must pay us an initial franchise fee (the "**Franchise Fee**") at the time you sign this Agreement in a lump sum. The amount of your Franchise Fee will be determined by the number of Protected Territories you acquire and the size of such Protected Territories. The following table describes the Franchise Fee for the number of Territories you purchase, based on each Protected Territory containing a population of up to 250,000:

Protected Territory	Franchise Fee for the Protected Territory	Cumulative Franchise Fee for All Protected Territories
#1	$59,500	$59,500
#2	$40,000	$99,500
#3	$35,000	$134,500
#4	$35,000	$169,500
#5	$35,000	$204,500

If you wish to purchase a Protected Territory with a population greater than 250,000, you must pay us a fee of $0.20 per additional person within such Protected Territory. The Franchise Fee is fully earned by us when paid and is not refundable under any circumstances.

Item 6

OTHER FEES (Note 1)

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	The greater of: (i) 6% of Gross Sales, or (ii) $500 multiplied by the number of Protected Territories you purchased	Payable by the 15th of each month based on Gross Billings in the preceding month	See Note 2 for the definition of Gross Sales.
Marketing Fee	The greater of: (i) 1% of Gross Sales, or (ii) $150 multiplied by the number of Protected	Payable by the 15th of each month based on Gross Billings in the preceding month	We will contribute the Marketing Fee to the Marketing Fund (as defined in Item 11). See Note 2 for the definition of Gross Sales.

	Territories you purchased		
Fees for Required Systems	Varies, based on size of the franchise and number of users; currently ranges from $250 to $375 per month.	Monthly or annually based on plans chosen	This amount reflects the current fees for all required systems in which you pay the provider directly
HallmarkXL Franchise Operating Platform Fee	3.25% of Gross Sales	Weekly	See Note 3 for description of HallmarkXL Platform
Level 2 Live Training Fee for Additional Trainees	$1,500 per trainee	As incurred	We will provide our initial training program to your Principal Owner and one additional trainee as part of the Franchise Fee. We reserve the right to charge this training fee for additional trainees that attend our Level 2 Training Program, including (i) each additional person attending the same initial session, (ii) persons who are repeating the course and (iii) subsequent trainees who attend the course.
Supplemental Training and Meetings	Reasonable registration or similar fees, currently estimated to be less than $1,000 per attendee	As incurred	We may require you to attend and satisfactorily complete various training courses that we periodically choose to provide at the times and locations that we designate, as well as periodic conventions, regional meetings, and conferences that we specify. We may require you to attend these courses or meetings and we may charge you the fee, even if you do not attend such a required event.
Transfer Fee	$10,000	As incurred	Payable upon a transfer of the Franchised Business, or an ownership interest in you or the Franchised Business. The fee does not apply when you transfer to an Entity with the same ownership as you.
Interest on Late Payments	Highest commercial contract rate the law allows or 1.5% per month, whichever is less	As incurred	Payable if you fail to make payments on time. Any overdue amounts bear interest beginning 30 days after the invoice date.
Audit costs	Our costs and expenses, including costs for an independent accountant and attorneys' fees and	As incurred	Payable only if an examination is warranted due to your failure to furnish reports, supporting records, or other information requested, or to furnish these items on a timely basis, or if an

	related travel and living expenses		examination reveals a 5% or more understatement of Gross Sales.
Indemnification	Amount of our liabilities, fines, losses, damages, costs and expenses (including reasonable attorneys' fees)	As incurred	Payable if we incur losses due to your breach of the Franchise Agreement or any other action or inaction by you or any other person relating to your Franchised Business.
Enforcement Expenses	All damages, costs, and expenses, including reasonable attorneys' fees, incurred by us	As incurred	Payable if your Franchise Agreement is terminated due to a default or you do not comply with your post-termination obligations.
Attorneys' Fees	Reasonable attorneys' fees (and related expenses) and court costs	As incurred	Payable if a legal action is instituted and we prevail.

Notes to Item 6:

1. Any of the fees in the table above that are imposed by us, payable to us are non-refundable and are uniformly imposed on all franchisees. You must use the payment methods we designate. Currently, we require payments to be made via electronic funds transfer or automated clearing house charges, as we designate. You must furnish us and your bank with any necessary authorizations to make payment by the methods we require.

2. "**Gross Sales**" means all revenue that you receive or otherwise derive from the operation of the Franchised Business, whether or not collected, including (a) revenue billed or invoiced by you to clients, (b) any Placement Commissions (as defined in Item 11) that you receive from us, or (c) any other revenue you receive from any party for products or services sold or provided in connection with the Franchised Business. Gross Sales does not include any sales or other taxes that you collect from clients and pay directly to the appropriate taxing authority. You may not deduct payment provider fees (i.e., bank or credit card company fees) from your Gross Sales calculation.

3. HallmarkXL, proprietary, exclusively branded powered by OvertureXL, is the technology platform used by all our Franchised Businesses. The platform provides for caregiver/client matching, caregiver electronic scheduling, shift verification, and general visibility for all parties. The platform includes a specifically dedicated HallmarkXL app for caregivers in the Hallmark network. It also serves as a third-party payment processor for clients, caregivers, and Franchised Businesses including required federal and state, if applicable tax reporting.

Item 7

ESTIMATED INITIAL INVESTMENT

Type of Expenditure (1)	Low Estimate	High Estimate	Method of Payment	When Due	To Whom Payment Is Made
Franchise Fee – One Protected Territory (2)	$59,500	$59,500	Lump sum	When Agreement signed	Us
Franchise Fee – Two to Five Protected Territories (2)	$99,500	$204,500	Lump sum	When Agreement signed	Us
Equipment and Supplies (3)	$1,500	$4,000	As incurred	As Incurred	Vendors
Initial Marketing (4)	$2,500	$6,000	As incurred	As incurred	Vendors
Travel and Living Expenses During Training (5)	$1,500	$2,000	As incurred	As incurred	Airline, hotel, and restaurants
Miscellaneous Opening Costs (6)	$1,000	$2,000	As Incurred	As Incurred	Vendors
Professional Fees (7)	$500	$2,500	As incurred	As incurred	Attorneys and/or Accountants
Insurance (8)	$3,000	$3,500	As incurred	As incurred	Insurance Agent or Carrier
Additional Funds – 3 Months (9)	$40,000	$55,000	As Incurred	As Incurred	Vendors
TOTAL ESTIMATED INVESTMENT (One Protected Territory) (10)	$109,500	$134,500			
TOTAL ESTIMATED INVESTMENT (Two to Five Protected Territories) (11)	$149,500	$279,500			

Explanatory Notes:

1. Type of Expenditure. The amounts provided in this Item 7 include costs you will incur to start your business. All fees and payments are non-refundable, unless otherwise stated or permitted by the payee.

2. Franchise Fee. See Item 5. The estimates are based on Protected Territories with up to 250,000 people in each territory.

3. Equipment and Supplies. The estimate includes the cost to acquire a laptop or desktop computer, the required Software (as described in Item 8 and 11), office furniture, and incidental office supplies for use in your home office.

4. Initial Marketing. After you launch you must market your Franchised Business to client referral sources. We will provide you with templates of brochures, business cards, letterheads, and other market materials that you can reprint. The estimate includes the cost of reprinting marketing materials, sponsorships, conducting community events, and networking.

5. Travel and Living Expenses During Training. This estimate is for the cost of your Designated Owner and another trainee to attend the training program for Level 2 Operations in Irvine, California. You are responsible for the travel and living expenses, wages, and other expenses incurred by your trainees during Training. The actual cost will depend on your point of origin, method of travel, class of accommodations, and dining choices.

6. Miscellaneous Opening Costs. This estimate includes the cost for a business license(s) and other miscellaneous start-up expenses not set forth separately.

7. Professional Fees. This estimate includes the cost of professional fees that you may incur in establishing your Franchised Business. Such expenses may include fees payable to attorneys, accountants, and others that you may use for the review of this Disclosure Document and entity formation.

8. Insurance. This is an estimate of your insurance premium for the first year of operating your Franchised Business. You should also check with your insurance agent or broker regarding any additional insurance that you may wish to carry above our required minimums and scope of coverage.

9. Additional Funds – 3 Months. This is an estimate for the additional operating funds you may need during the first three months of operation of your Franchised Business which is largely dedicated to training and setting up your systems.

10. Total Estimated Investment. This estimate is based on a Franchised Business with a single Protected Territory. The estimate includes additional funds you may need to pay utilities, payroll taxes, legal and accounting fees, additional advertising, supplies, state tax and license fees, deposits, prepaid expenses, and other miscellaneous items. You may incur other categories of expenses or expenses in excess of this estimate. The estimate does not include (a) amounts for a salary to you or living expenses for you, (b) the cost of any financing or interest, (c) the amount of debt service obligation that you might undertake. It also does not include the cost of employee wages or benefits, as we do not anticipate you will have any employees during your first few months of operations. In making this estimate, we have relied on our founder's experience developing similar businesses under a different brand, and other Franchised Businesses. Before signing a Franchise Agreement, you should consult with your accountant and advisor to budget and determine the amount of additional funds that should be reserved and set aside to support and capitalize the operations of your Franchised Business.

11. Total Estimated Investment. This total amount is based upon our founder's experience developing similar businesses under a different brand and other Franchised Businesses. The estimate assumes that you will operate the Franchised Business from a home office. Thus, rent and leasehold improvements are not included. We recommend that you use these categories and estimates as a guide to develop your own business plan and budget.

You should independently investigate the costs of opening a Franchised Business in the geographic area in which you intend to operate. You should also review the figures carefully with a business advisor before making any decision to purchase a Franchised Business.

The total estimated investment for Franchised Businesses with two to five Protected Territories takes into account only the increase in the Franchise Fee for purchasing multiple territories. We expect that all Franchised Businesses will start in a similar way regardless of the number of Protected Territories purchased and that multi-territory Franchised Businesses will begin operations in a single Protected Territory. Operations in other Protected Territories will begin in later stages of your business development. The line items above and the additional funds could be higher if you immediately hire additional staff to service multiple Protected Territories. However, we are unable to estimate the additional funds you may need with any degree of accuracy without an understanding of your specific expansion plans and timing.

We do not provide financing to franchisees either directly or indirectly in connection with their initial investment requirements. The availability and terms of financing obtained from third parties will depend upon such factors as the availability of financing, your credit worthiness, collateral which you may make available, or policies of local lending institutions with respect to the nature of the business.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We do not require you to purchase goods, services, supplies, fixtures, equipment, inventory, real estate, or comparable items related to establishing or operating the Franchised Business from us or our affiliates, from designated or approved suppliers, or in accordance with our specifications, except for insurance, the Operations Systems (as **defined** below), and background checks.

We may require you to purchase or license the technology programs, platforms, or applications, including hardware, software, network and phone connections, and cloud services (the "**Operations Systems**") that (i) meet specifications that we establish from time to time; (ii) are a specific brand or product; (iii) must be purchased or licensed only from suppliers or service providers that we have expressly approved; and/or (iv) must be purchased or licensed only from a single source that we designate (which include us or our affiliates). Currently, we require you to use a back-office software platform, intranet system, telephone system, and accounting software that we designate. You must own a computer that is capable of accessing the Internet and using the Software, but we do not provide any specifications for such hardware.

Before you launch your operations, you must obtain, in such amounts and from such brokers or carriers that we approve, the minimum insurance coverage that we specify from time to time in the Operations Systems or otherwise in writing. Currently, we require you to purchase your insurance from a specific insurance agency that we have designated as our sole approved vendor, because of their experience and familiarity with our business and the industry. We currently require you to obtain the following coverage: (i) general business liability insurance with limits not less than $1,000,000 per occurrence and $3,000,000 in the aggregate, damage to rented premises with limits not less than $100,000 per occurrence, and personal injury with limits not less than $1,000,000 per occurrence; (ii) professional liability insurance with limits not less

than $1,000,000 per occurrence and $3,000,000 in the aggregate; (iii) "non-owned or hired" automobile liability insurance with limits not less than $500,000; (iv) workers' compensation covering office staff and equivalent occupational accident Insurance for caregivers as prescribed by us and/or the state of operation; (v) commercial crime bonding coverage covering theft of personal property; and (vi) any additional insurance required by the laws in your area. All of your insurance carriers must be rated A or higher by A.M. Best and Company, Inc. (or such similar criteria as we periodically specify). These insurance policies must be in effect on or before the deadlines we specify. All policies shall apply on a primary and non-contributory basis to any other insurance or self-insurance that we or our affiliates maintain. We must be named as an additional insured under each policy that we require. Upon our request or as specified in the Training Materials, you must provide us with certificates of insurance evidencing the required coverage. We may require additional types of coverage or increase the required minimum amount of coverage upon 60 days' notice to you.

Currently, you must use the background check provider that we specify to perform background checks on caregivers.

If we specify any standards or specifications for insurance, the Operations Systems, and background checks, we will describe such specifications in the Operations Systems, which we can modify from time to time.

Other than insurance, certain components of the Operations Systems, and background checks, you may buy products and services for your Franchised Business from any supplier you choose and without limitation.

We do not intend to approve alternative suppliers for insurance, the Operations Systems, or background checks. If you propose any alternative suppliers, we do not have a formal approval process and are not obligated to consider or approve the proposal.

We currently do not plan to derive revenue or other material consideration from required purchases or leases by franchisees. Accordingly, we currently do not receive any payments or other consideration from suppliers based on franchisee purchases.

We estimate that less than 10% of your initial and ongoing purchases of goods and services will be subject to our specifications.

We do not negotiate purchase arrangements with suppliers for the benefit of franchisees. We do not provide material benefits (like renewing the franchise or granting additional franchises) to franchisees based on their purchase of particular products or services or use of particular suppliers.

Item 9

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Disclosure Document Item
(a) Site selection and acquisition/lease	3.1	12
(b) Pre-opening purchases/leases	8.5	7, 8, and 11
(c) Site development and other pre-opening requirements	3	9,11, and 12
(d) Initial and ongoing training	7	11
(e) Opening requirements	3.2 and 8.2	11
(f) Fees	4, 5, 7.2(d), 7.3, 9.1, 11.2, 13.2(b), 17.4	5 and 6
(g) Compliance with standards and policies/operating manual	8.1(a)	8, 11, 15, and 16
(h) Trademarks and proprietary information	8.4 and 12	13 and 14
(i) Restriction on products/services offered	8.2 (b)	16
(j) Warranty and customer service requirements	8.1(c)	Not applicable
(k) Territorial development and sales quotas	2.4	12
(l) Ongoing product/service purchase	8.2 (b) and 8.6	8
(m) Maintenance, appearance and remodeling requirements	Not applicable	Not applicable
(n) Insurance	8.6	6, 7, and 8
(o) Advertising	6	9,11
(p) Indemnification	9	6,9
(q) Owner's participation/ management/staffing	8.7(a)	15
(r) Records and reports	10	9
(s) Inspections and audits	11	6,9
(t) Transfer	13	6.17
(u) Renewal	1.3	17
(v) Post-termination obligations	15	17
(w) Restrictive covenant	12.2 and 15.4	17
(x) Dispute resolution	17	17

Item 10

FINANCING

We and our affiliates do not offer direct or indirect financing arrangements for any purpose in establishing or operating your Franchised Business. We and our affiliates do not guarantee your promissory note, lease, or any other obligation you may make to others.

Item 11

FRANCHISOR'S OBLIGATION

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

Our Pre-Opening Obligations

Before you open your Franchised Business, we will provide the following:

1. **Training Program.** We will provide you for your use during the term of the Franchise Agreement, training materials and resources. The training program contains operating procedures and best practices. Training materials may be modified or updated periodically to reflect changes in our System Standards.

2. **Level 1 and Level 2 Training Programs.** We will provide you with our Level 1 and Level 2 Training Program (as described below):

   a) **Our Training Programs.** We will provide you with (i) an online self-paced and peer remote training program that is focused on learning the key elements of operating a Franchised Business (the **"Level 1 Training Program"**) and (ii) a live classroom workshop that is focused on learning to provide the services and operate the Franchised Business (the **Level 2 Training Program**"). Your Principal Owner must successfully complete to our satisfaction both the Level 1 Training Program and the Level 2 Training Program. In addition, we will assign a coach to provide you with additional assistance that we, in our sole discretion, deem appropriate.

   b) **Level 1 Training Program.** The Level 1 Training Program will begin after the Agreement Date and must be completed within 45 days after the Agreement Date. The Level 1 Training Program consists of completing pre-training business set up, self-paced training and required weekly conference calls leading up to Level 2 training.

   c) **Level 2 Training Program.** The Level 2 Training Program will begin on a date designated by us after you have completed the Level 1 Training Program to our

satisfaction and must be completed within 90 days after the Agreement Date. The Level 2 Training Program consists of in-person training conducted by our staff at a location that we designate at a time we designate. We may, in our sole discretion, provide the training virtually or modify the length of the training program.

3. **Opening Guidance.** We will provide insight on any equipment, supplies and the Computer System needed or recommended to operating your Franchised Business (we do not provide delivery or installation of equipment or operating supplies). You must operate your Franchised Business from an office located in the Protected Territory (which may be a home office), but we do not approve your site or provide any guidance related to leasing or constructing an office.

4. **Email Address:** We will provide you with a "@hallmarkhomecare.com" email address which you must use for all electronic communications conduction in conjunction with your Franchised Business.

5. **Login Credentials**. We will provide you with login credentials for the Hallmark Homecare intranet site where you will access training materials and other resources.

6. **Opening Assistance.** We will give you general assistance in the opening of your business and make our personnel available to help you plan pre-opening promotional programs.

7. **Approve Opening.** You may not begin operating your Franchised Business and Marketing Services until: (a) your Principal Owner has completed our Level 1 and Level 2 Training Program to our satisfaction; and (b) you provide us with evidence of insurance coverage for your Franchised Business. Franchised Businesses typically will begin operating and marketing services with 45 days after signing the Franchise Agreement but must be operating within 90 days following signing the Franchise Agreement.

Ongoing Assistance

During the operation of your Franchised Business:

1. **Ongoing Updates.** We will continue to furnish you with any and all updates of our Training Materials that we may, in our sole discretion, develop in the future.

2. **Ongoing Recommendations.** To the extent we deem it necessary or advisable, give you individual and group guidance and assistance by telephone, newsletters, brochures, reports or bulletins, or electronic communications or postings.

3. **System-wide Programs.** Allow you to participate in programs that may be developed and offered by us on a system-wide basis to our franchisees.

4. **Innovations.** As we deem appropriate, test new services, equipment, or technologies, and, if they meet our standards and specifications, make them available to you;

5. **Coaching**. We will provide coaching to support you on an ongoing basis on all aspects of the Franchised Business including, but not limited to client lead generation and caregiver recruitment and placement.

6. **Support.** We will provide to you a reasonable amount of support via telephone and email correspondence during normal business hours, including reasonable continuing guidance and advice in operating your Franchised Business.

7. **Templates and Materials.** We will provide you electronically with templates for business cards and marketing materials that we may develop periodically, which you may duplicate at your expense. We may, from time to time, make packages of brochures and other promotional materials available for you to purchase.

Marketing

Marketing Fund. We have established a National Marketing Fund (the "**Marketing Fund**") for the enhancement and protection of the Marks, and for the development and implementation of advertising, marketing, public relations, and other brand-related programs and materials as we periodically deem appropriate. You must pay us the Marketing Fee (which is the greater of: (i) 1% of Gross Sales or (ii) $150 multiplied by the number of Protected Territories you purchased), which we will contribute to the Marketing Fund. If we or our affiliates operate any Hallmark Businesses, we or our affiliates will contribute to the Marketing Fund a percentage of the Gross Sales of those businesses on the same basis as required for franchisees. You acknowledge that our other franchisees may not be required to contribute to the Marketing Fund, may be required to contribute to the Marketing Fund at a different rate than you, or may be required to contribute to a different Marketing Fund.

We have sole discretion to use the Marketing Fund, and monies in the Marketing Fund, for any purpose that we designate that we believe will enhance and protect, or improve public recognition and perception of, the Marks and Hallmark Homecare Businesses, including advertising campaigns in various media; Digital Marketing (as defined below); direct mail advertising; market research; engaging advertising agencies; conducting promotions, contests, and events; organizing or funding charitable activities; and providing promotional and marketing materials and services to our franchisees. We will not use the Marketing Fund for anything whose sole purpose is the marketing of franchises, however, you acknowledge that our website, public relations activities, community involvement activities, and other activities supported by the Marketing Fund may contain information about franchising opportunities. We will not use any contributions to the Marketing Fund to defray our general operating expenses, except for reasonable administrative costs and overhead we incur in activities reasonably related to the administration of the Marketing Fund or the management of Marketing Fund-supported programs (including the pro-rata amount of salaries of our personnel who devote time to Marketing Fund activities and retainers and fees for outside agencies).

We will direct all programs that the Marketing Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. We do not guarantee that you will benefit from the Marketing Fund in proportion to your contributions to the Marketing Fund. In no event will we be deemed a fiduciary with respect to any Marketing Fees we receive or administer.

We will maintain the Marketing Fund in a separate bank account from our other accounts. We are not required to have an independent audit of the Marketing Fund completed. We may use monies in the Marketing Fund to pay for an independent audit of the Marketing Fund, if we elect to have it audited.

Any interest earned by the Marketing Fund will belong to the Marketing Fund. Upon your request, we will make available to you no later than 120 days after our year end, an unaudited financial statement for the Marketing Fund for the previous calendar year. If any monies in the Marketing Fund remain at the end of a fiscal year, they will carry-over in the Marketing Fund into the next fiscal year. We or one of our affiliates may make or otherwise arrange loans to the Marketing Fund in any year in which the balance of the Marketing Fund is negative and charge a reasonable rate of interest. The amounts loaned to the Marketing Fund will be repaid from future contributions to the Marketing Fund in the year the loan is made or in subsequent years.

We may dissolve or modify the Marketing Fund at any time. The Marketing Fund, however, shall not be terminated or dissolved until all monies held in the Marketing Fund have been expended for the purposes described in this Agreement.

As we have recently begun operating the Marketing Fund, no Marketing Fund dollars were used in our last calendar year.

Our Marketing. We are not obligated to develop or conduct any advertising or promotional programs anywhere, including in your Protected Territory. We have not conducted media advertising for the Hallmark Homecare® concept. If we conduct media advertising, we may use direct mail, print, radio, Internet, or television, which may be local, regional, or national in scope. We may produce the marketing materials in-house or employ a local, regional, or national advertising agency.

We will provide you electronically with templates for business cards and marketing materials that we may develop periodically, which you may duplicate at your expense. We may, from time to time, make packages of brochures and other promotional materials available for you to purchase. However, we will not place, run or pay the media placement costs of any media advertisements, commercials, or promotions for you.

There currently are no advertising cooperatives or councils for Hallmark Businesses.

Your Marketing. You must conduct all advertising and promotional activities for the Franchised Business according to our requirements as reflected in the Training Materials or our written or oral instructions to you. Before you use them, you must submit to us for our approval samples of all advertising, marketing, and promotional materials (other than materials we have prepared or previously approved), including brochure copy and promotions activities and any information on a website (or any change in information on an approved website). You may not use any materials or conduct any promotion that we have not approved. We do not require you to participate in a local or regional advertising cooperative.

Digital Marketing. We or our affiliates may, in our sole discretion, establish and operate websites, social media accounts (such as Facebook, Twitter, Instagram, Pinterest, etc.), blogs, applications, keyword or adword purchasing programs, accounts with websites featuring discounts (such as Groupon, Living Social, etc.), mobile applications, or other means of digital advertising on the Internet or any electronic communications network (collectively, "**Digital Marketing**") that are intended to promote the Marks, your Franchised Business, and the entire

network of Hallmark Businesses. We will have the sole right to control all aspects of any Digital Marketing, including those related to your Franchised Business. Currently, we do not permit you to operate a website or social media accounts for your Franchised Business without our approval which will not be unreasonably withheld. Unless we consent otherwise in writing, you and your employees may not, directly or indirectly, conduct or be involved in any Digital Marketing that use the Marks or that relate to your Franchised Business or the network. If we permit you or your employees to conduct any Digital Marketing, you and they must comply with our System Standards, and we will have the right to retain full control over and ownership of all websites, social media accounts, mobile applications or other means of digital advertising that we have permitted you to use. We may withdraw our approval for any Digital Marketing or suspend or terminate your use of any Digital Marketing platforms at any time.

Computer System

We may require you to purchase or license a Computer System that (i) meets specifications that we establish from time to time; (ii) is a specific brand or product; (iii) must be purchased or licensed only from suppliers or service providers that we have expressly approved; and/or (iv) must be purchased or licensed only from a single source that we designate (which may include us or our affiliates). We may require you to use the Computer System to maintain certain sales data, financial data, and other information and to transmit data and reports to us.

Currently, you must own a computer that is capable of accessing the Internet and using our designated software, but we do not provide any specifications for such hardware. We require you to use back-office software, a telephone system, and accounting software that we designate. You must purchase or license such software from third parties that we designate. We estimate the cost to purchase the Computer System will be between $1,000 to $2,000.

We currently do not require you to enter into, or expect that you will need to enter into, any maintenance, updating, upgrading, or support contracts related to the Computer System. We, our affiliates, and third-party vendors are not obligated to provide you with any ongoing maintenance, repairs, upgrades, or updates. Vendors may be able to offer optional maintenance, updating, upgrading, or support contracts to you, which we estimate may cost less than $250 per year.

We may, as often as we deem appropriate (including on a continual basis), access the Computer System and retrieve all information relating to the Franchised Business' operation.

Training

Initial Training. Your Principal Owner must personally attend and satisfactorily complete our initial Training Program which consists of (i) a self-study training program and weekly live training classes that are focused on learning to market the Services and recruit caregivers (the "**Level 1 Training Program"**) and (ii) a training program that includes self-study, live coaching, and a live classroom workshop that is focused on learning to provide the Services and operate the Franchised Business (the "**Level 2 Training** Program").

You may send another representative to complete our training program in the same session as your Principal Owner at no additional charge. We reserve the right to charge a training fee of up to $1,500 per trainee that attends our Level 2 Training Program (other than your Principal Owner and second representative), including (i) each additional person attending the same initial session, (ii) each person who is repeating the course or replacing a person who did not pass, and (iii) each subsequent trainee who attends the course. We may increase the training fee upon 60

days' written notice to you. You are responsible for any travel and living expenses (including meals, transportation, and accommodations), wages, and other expenses incurred by you or your trainees.

You may begin the Level 1 Training Program after signing the Franchise Agreement and must complete it within 45 days of signing. Exceptions may be considered and must be agreed upon by the franchisor and franchisee prior to signing the Franchise Agreement. The Level 1 Training Program can be completed at home and consists of training modules of online videos, virtual classes, and corresponding resources.

TRAINING PROGRAM
Level 1 Training Program

	Virtual Classroom	Self-Study	On the Job
Virtual Meetings with Cohort (5 total) Week 1 – Intro to Hallmark Homecare and What Makes Us Different Week 2 – Caregiver Recruiting Overview Week 3 Sales – Identifying and Developing PartNEER relationships Week 4 – Networking and Marketing approaches Week 5 – Client Service Agreements	7.5		
Business and Systems Set-Up • QuickBooks • Bank accounts • **HallmarkXL** • Google • DocuSign • Indeed • Quo • CRM		2.0	5.0
Hallmark Homecare Overview • Your Company Story • The Tidal Wave – Statistics about Seniors • Why People Need Help • Options and Services Available • How We Compare • Unique Selling Propositions		6.0	
Caregiver Recruitment and Placement • Placing an Ad • Screening Applicants • Interviewing Applicants • Placing Caregivers • Caregiver Liaison		8.0	6.0

Networking, Marketing and Sales • Top Tier Referral Providers • Hallmark Homecare Sale Process • Networking Events • Brand Identity Kit • What to do After Receiving Referral • Glossary of Terms		5.0	5.0
Client Acquisition • Service Inquiries • Client Interviews • Sales Psychology • HIPAA • Client Management		3.0	
Compliance • Federal Regulations		2.0	
Leadership Skills • Goal Setting • Your Circle of Influence • Rapport Skills		1	
Sub Totals	**7.5**	**27.0**	**16.0**
Total	**50.5**		

The hours listed is an estimate of the amount of time necessary to complete the Level 1 Training Program. In addition to the training, you will be assigned a coach to provide additional assistance that we, in our sole discretion, deem appropriate, which may include group coaching sessions and one-on-one telephone calls.

The Level 2 Training Program will begin on a date designated by us after you have completed the Level 1 Training Program, in our judgement, successfully. The Level 2 Training Program consists of (i) three days of in-person training conducted by our staff at a location that we designate (typically, at our office in Irvine, CA) at a time that we designate. We may, in our sole discretion, provide the in-person training virtually or modify the length of the training program.

TRAINING PROGRAM
Level 2 Training Program

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Sales, Marketing and Networking(in-person)	6	0	Irvine, CA
Compliance and Operating a Referral Agency(in-person)	3	0	Irvine, CA
Client Inquiries(in-person)	2	0	Irvine, CA
The Client Interview/Liaison services (in-person)	4	0	Irvine, CA

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
The Caregiver Search/Recruitment Best Practices (in-person)	2	0	Irvine, CA
Being The Liaison: The Client and Caregiver Relationship(in-person)	1	0	Irvine, CA
Case Studies/Role Play Scenarios	4	0	Irvine, CA
Planning and Strategizing	2	0	Irvine, CA
TOTAL VIRTUAL-STUDY	0	0	
TOTAL IN-PERSON	**24**		
TOTAL	**24**		

In addition, to the hours reflected in the chart, you may spend additional time working with your assigned coach, who will continue to provide additional assistance that we deem appropriate.

Our initial training programs are lead under the supervision of Julie-Ann Parrott, our Chief Operating Officer, who has worked with our brand since October, 2022. Julie-Ann has 22 years of experience operating similar businesses in the senior care field. In addition, you will be supervised throughout the training program by an assigned coach. Each of our assigned coaches has at least two years' experience in the senior care field.

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Additional Training and Meetings. We may require your Principal Owner or your manager to attend and complete satisfactorily various additional training courses that we periodically choose to provide at the times and locations that we designate, as well as periodic conventions, regional meetings, and conferences that we specify. We may charge reasonable registration or similar fee for these courses, conventions, meetings, or conferences as mandatory; we reserve the right to charge you the registration, attendance, or similar fees even if you do not attend. You are responsible for any wages and travel and other expenses incurred by you or your representatives.

Item 12

TERRITORY

Office. Your Franchised Business must be operated from an office located within your Protected Territory (unless we consent and approve otherwise), but we do not require the approval of the location or relocation of your office or require you to have an office outside of your home.

Protected Territory. You may purchase between one and five Protected Territories under a single Franchise Agreement. Each Protected Territory will be described in terms of zip codes (all must be contiguous) and will be comprised of up to 250,000 individuals (according to the most recent Census data available at the time you and we sign the Franchise Agreement).

We may permit you, in certain circumstances, to have more than 250,000 people within a single Protected Territory for an additional Franchise Fee, as described in Item 5.

Your Protected Territory will be an exclusive territory. This means that we will not, directly or through any affiliates: (i) operate or grant the right to operate a Hallmark Business office to be physically located within your Protected Territory; or (ii) authorize any other Hallmark Business to market Services to client referral sources or prospective clients within your Protected Territory or to provide Services to individuals at locations within your Protected Territory. However, we will not be in default under the Franchise Agreement or otherwise liable to you if another franchisee breaches its Franchise Agreement and markets or provides Services to client referral sources, prospective clients, or other individuals within your Protected Territory, provided that we did not have advance knowledge of the breach and did not authorize the breach.

Reserved Rights. Except as provided in the previous paragraph, we and our affiliates have the right to conduct any business activities, under any name, using any system, in any geographic area, and at any location, regardless of the proximity to or effect on your Franchised Business. For example, without limitation, we and our affiliates have the right to:

1. establish, or license others to establish, (i) Hallmark Businesses anywhere outside of the Protected Territory and (ii) businesses under marks other than the Marks inside or outside the Protected Territory;

2. advertise, or authorize others to advertise, using the Marks anywhere, including via the Internet or inside and outside of the Protected Territory;

3. market to, or permit others to market to, potential caregivers located inside or outside the Protected Territory; and

4. acquire, be acquired by, or merge with other companies with existing home care businesses anywhere (whether inside or outside of the Protected Territory) and, even if such businesses are located in the Protected Territory and offering competing products or services, (i) convert the other businesses to the Hallmark Homecare® name, (ii) permit the other businesses to continue to operate under another name, and/or (iii) permit the businesses to operate under another name and convert existing Franchised Businesses to such other name.

We and our affiliates do not have the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within the Protected Territory using the Marks, but we may advertise in the Protected Territory using the Marks and are not restricted from making sales in the Protected Territory under different marks.

We will not compensate you for any of our activities in your Protected Territory, even if they have an impact on your Franchised Business.

Minimum Sales Requirement. You must use your best efforts to maximize clients, client referral sources, and Gross Sales (as defined in Section 5.2 (Gross Sales)) in each of the Protected Territories. In addition, the Gross Sales of your Franchised Business must exceed the minimum Gross Sales requirement (the "**Minimum Sales Requirement**") in each calendar quarter. Beginning 12 months from the Agreement Date and continuing through the end of the 23rd month from the Agreement Date, the Minimum Sales Requirement for each calendar quarter will be equal to $125,000 multiplied by the number of Protected Territories that you have purchased (limited to 2 territories if you purchased 2 or more). After 24 months from the

Agreement Date and continuing throughout the remainder of the Term, the Minimum Sales Requirement for each calendar quarter will be equal to $250,000 multiplied by the number of Protected Territories that you have purchased (limited to 3 territories if you purchased 3 or more).

If you fail to achieve the Minimum Sales Requirement in any calendar quarter, you must develop and implement a business plan that we approve to increase Gross Sales in subsequent quarters. If you fail to achieve the Minimum Sales Requirement in three consecutive calendar quarters, such failure shall be a material default under this Agreement.

Modification of Protected Territory. If you default under the Franchise Agreement and fail to cure the default in the applicable cure period (if any), we have the right to temporarily or permanently reduce the size of the Protected Territory (or terminate one or more Protected Territories, if you have multiple ones), in addition to our other remedies. Except for as described in the previous sentence, the Protected Area may not be altered before the expiration or termination of the Franchise Agreement.

Restrictions on Operations. Your area of primary responsibility will be your Protected Territory. You may not solicit clients or market the Services to potential clients or referral sources located outside your Protected Territory. All media advertising and direct mail marketing that you undertake must be predominantly focused on media distributed in, or to prospective clients and client referral sources located in, your Protected Territory. You do not have the right to conduct Digital Marketing without our consent. You may not provide Services to clients at any location outside your Protected Territory without our consent, which we may withhold in our sole discretion.

Operations Outside the Protected Territory. If you receive or generate leads for clients or client referral sources located outside your Protected Territory, you must refer those leads to us, and we will refer the lead to the franchisee who is assigned to operate in and service that territory or area. You will not receive any compensation for a referral that is serviced by another franchisee. If we do not have a franchisee in that area, we may, in our sole discretion, (a) authorize you in writing to provide the Services to such clients.

If we authorize you to market or provide Services to clients or client referral sources outside of your Protected Territory, we may revoke our consent at any time for any reason, and you must immediately cease marketing and providing Services to such clients and client referral sources in accordance with our instructions. If we determine you are servicing a material number of clients in an unassigned territory, we may require you to purchase the rights to the territory in order to continue to provide the Services in it, but we are not obligated to offer you the opportunity to purchase such rights and may instead offer such rights to any party.

We may specify in the Training Materials additional policies regarding providing cross-territorial Services and marketing outside of the Protected Territory.

No Additional Rights. We do not reserve or offer options, rights of first refusal or similar rights to you for additional franchises within or outside the Protected Territory.

Additional Disclosures. Neither we nor our affiliates operate, franchise, or intend to operate or franchise a business operating under a different trade name or trademark that sells or will sell goods or services similar to those that the Franchised Business will offer, but we reserve the right to do so in the future without your consent.

Item 13

TRADEMARK

We grant you the right to operate a Franchised Business under the Hallmark Homecare® mark, and other trademarks, service marks, associated designs, artwork, and logos that we specify from time to time. We may require you to use the Marks in conjunction with other words or symbols.

The following Marks are registered with the Principal Register of the United States Patent and Trademark Office ("**USPTO**") and all required affidavits with respect to such mark have been filed:

Mark	Registration Number	Registration Date
HALLMARK HOMECARE	4,133,058	4/24/2012
	4,357,692	6/25/2013
HallmarkXL	8,143,056	2/17/2026

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, and there are not any pending infringement, opposition or cancellation proceedings, or material federal or state court litigation, involving the Marks or our use or ownership rights in any Mark.

No agreement significantly limits our right to use or license the Marks in a manner material to the franchise. We do not know of either superior prior rights or infringing uses that could materially affect a franchisee's use of the Marks in any state.

You must immediately notify us of any infringement of or challenge to your use of any of the Marks, including any use of a confusingly similar mark by a third party. We or our affiliates will have the right to take any action that we deem appropriate, but the Franchise Agreement does not require us or our affiliates to take any action to protect your right to use any of the Marks or to participate in your defense and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving any of the Marks. We will have the right to control any administrative proceeding or litigation related to the Marks. You agree to execute all documents and, render any other assistance we may deem necessary to any such proceeding or any effort to maintain the continued validity and enforceability of the Marks.

If we decide that you should modify or discontinue using any of the Marks or use one or more additional or substitute service marks or trademarks, you must comply with our directions in the time that we reasonably specify, and neither we nor any of its affiliates will have any obligation to reimburse you for the cost of complying with our directions.

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We own no rights in, or licenses to, any patents or patent applications.

Except as provided below, we own no rights in, or licenses to, any copyrights. We have not registered any copyrights with the United States Copyright Office. However, we claim copyrights with respect to our advertising materials and the Manuals, as well as other materials we may periodically develop. There are no determinations of the Copyright Office or any court regarding any of our copyrights. There are no agreements limiting the use of any copyrights by us.

Any copyrights used by you in the Franchised Business belong solely to us or our affiliates. You agree to notify us in writing of any suspected infringement of our or our affiliates' copyrights. We and our affiliates have exclusive rights to bring an action for infringement and retain any amounts recovered with respect to such action, and to control any infringement proceeding whether brought by or against us or you. We have no obligation to defend or otherwise protect you against any claims involving any copyright, including without limitation any copyright infringement claim, or to indemnify you for any losses you may incur as a result of our copyrights infringing the rights of any other copyright owner. If so requested by us, you will discontinue the use of the subject matter covered by any copyright used in connection with the Franchised Business.

During the term of your Franchise Agreement, we or our affiliates may disclose in confidence to you, either orally or in writing, certain trade secrets, know-how, and other confidential information relating to the System, our business, our vendor relationships, our business plans, or the construction, management, operation, or promotion of the Franchised Business, including the Training Materials (collectively, **"Confidential Information"**). You may not, nor may you permit any person or Entity to, use or disclose any Confidential Information (including any portion of the Training Materials) to any other person, except to the extent necessary for your employees to perform their functions in the operation of your Franchised Business. You must take reasonable precautions necessary to protect Confidential Information from unauthorized use or disclosure, including conducting orientation and training programs for your employees to inform them of your obligation to protect Confidential Information and their related responsibilities and obligations. If we or our affiliates so request, you must obtain confidentiality agreements in a form satisfactory to us or our affiliates from anyone who may have access to the Confidential Information. You will be responsible for any unauthorized disclosure of Proprietary Information by any person to whom you have disclosed Confidential Information.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

We strongly recommend, but do not require, that your Owners personally supervise the Franchised Business. You must designate an Owner with at least 10% ownership interest in your Entity as your Principal Owner. The Principal Owner must have authority over all business decisions related to your Franchised Business and must have the power to bind you in all dealings with us, but the Principal Owner is not required to be directly involved in the day-to-day operation and management of the Franchised Business, if you have appointed a trained manager to do so. We must approve your Principal Owner and any replacement Principal Owner.

We do not impose limits on who you can hire as a manager, but any manager must complete our Training Program if we deem necessary. We do not require your managers to have an ownership interest in you.

Each Owner, including the Principal Owner, must sign the Payment and Performance Guarantee attached to the Franchise Agreement, assuming and agreeing to discharge all obligations of the franchisee under the Franchise Agreement and agreeing to comply with the confidentiality, indemnification, covenant not to compete, and assignment provisions of the Franchise Agreement.

We currently require you to cause members of your Owners' immediate families and your managers to execute Nondisclosure and Noncompete and Nondisclosure Agreements, using the form attached to the Franchise Agreement. The agreements specifically identify us as having the independent right to enforce them.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may offer in the Franchised Business to clients only the products and services that we have approved in writing. In addition, we may designate specific products and services as optional or mandatory. You must offer the products and services that we designate as mandatory, which will become part of the Services. We may change these specifications periodically in the Training Materials or otherwise in writing without limitation. If you would like to offer other products and services, you must obtain our written approval for such products or services, which we may withhold for any reason in our sole discretion.

Item 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

The table below lists certain important provisions of the Franchise Agreement. You should read these provisions in the form of Franchise Agreement attached to this Disclosure Document as Exhibit C.

Provision	Section in Franchise Agreement	Summary
(a) Length of the franchise term	1.1	Term expires 10 years after signing the Franchise Agreement
(b) Renewal or extension of the term	1.3	One additional 10-year successor term
(c) Requirements for franchisee to renew or extend	1.3	You notify us of your intention to renew at least 90 days to 12 months before the previous term expires, you have substantially complied with the Franchise Agreement and are fully compliant, sign our then-current form of Franchise Agreement and related agreements (which may contain materially different terms than the current forms), and sign a general release.

Provision	Section in Franchise Agreement	Summary
(d) Termination by franchisee	14.3	If we commit a material breach of the Franchise Agreement and we fail to cure the breach or take reasonable steps to begin curing the breach within 60 days after receiving notice from you, you may terminate the Franchise Agreement.
(e) Termination by franchisor without cause	Not applicable	Not applicable.
(f) Termination by franchisor with cause	14.1	We can terminate only if you default under the Franchise Agreement (see (g) and (h) below).
(g) "Cause" defined – curable defaults	14.1	You have 30 days to cure any monetary default and 30 days to cure any other defaults not described in (h) below.
(h) "Cause" defined – non-curable defaults	14.1	Principal Owner declared insane; any of your Owners or officers or directors is convicted or pleads nolo contendere to a crime involving moral turpitude or consumer fraud or any other crime or offense or you or they engage in any activities which impairs the goodwill associated with the Marks; you become insolvent; you fail to protect our Intellectual Property or Confidential Information; you or your Owners make an unauthorized transfer; you willfully violate laws; you fail to timely complete training; or you fail to achieve Minimum Sales Requirement for three straight quarters.
(i) Franchisee's obligations on termination/non-renewal	15	Discontinue use of and return Intellectual Property and Confidential Information; cease using the System and de-identify the Franchised Business; pay us amounts due; and comply with noncompete.
(j) Assignment of contract by franchisor	13.4	No restriction on our right to assign.
(k) "Transfer" by franchisee-defined	13.1	Includes transfer of any interest in the Franchise Agreement, the Franchised Business, an ownership interest in you or all or substantially all of the assets (including referral partner lists or relationships) associated with the Franchised Business.
(l) Franchisor's approval of transfer by franchisee	13.2	You may not transfer without our approval.
(m) Conditions for our approval of transfer by franchisee	13.2	In addition to other conditions we may specify, you are not in default, your transferee meets our standards, you or they pay a $10,000 transfer fee, your transferee signs our then-current form of Franchise Agreement (which may contain materially different terms), your transferee completes training, and you and your Owners comply with post-termination obligations and sign a general release.
(o) Franchisor's option to purchase franchisee's business	Not applicable	Not applicable.

Provision	Section in Franchise Agreement	Summary
(p) Death or disability of franchisee	13.5	Executor or representative must transfer your Principal Owner's interest to a third party approved by us within a reasonable time not to exceed six months of death or incapacity.
(q) Non-competition covenants during the term of the franchise	12.2(b)	You, your Owners, their immediate families, and your managers may not: own, manage, engage in, be employed by, advise, make loans to, or have any other interest in (i) any service business offering caregiver placement services (a **"Competitive Business"**) in the United States; (ii) divert or attempt to divert any actual or potential business or client to any Competitive Business; or (iii) perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.
(r) Non-competition covenants after the franchise is terminated or expires	12.2(c)	For two years after the expiration of termination of your Franchise Agreement you, your Owners, their immediate families, and your managers may not be involved in, or divert clients to, any Competitive Business that is located within or operates within a 20-mile radius of your former Protected Territory or any other Protected Territory that is operating at that time.
(s) Modification of the agreement	19	Except for modifications to the Manuals, no modifications unless agreed to in writing by both parties.
(t) Integration/merger clause	19	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.
(u) Dispute resolution by arbitration or mediation	Not applicable	Not applicable.
(v) Choice of forum	17.2	Subject to applicable state laws, you and your Owners must, and we may, bring claims in federal or state courts located in the city in which our principal place of business is located (currently, Incline Village, Nevada).
(w) Controlling law	17.1	Except for federal law, Nevada law governs (subject to applicable state laws).

Item 18

PUBLIC FIGURE

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

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised 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.

As of the date of this disclosure document, we had several franchisees who were in the early stages of development and some had been in operation for more than 12 months. A representative sample of those franchisees' **("Represented Franchisees")** income statements and key performance indicators ("**KPI**") are reflected in the Tables below. We have presented financial performance data for the **calendar year 2025** for the **Represented Franchisee #1** located in McKinney, TX who launched in **March, 2023** (Tables 1(a) and 1(b)); **Franchisee #2** located in San Antonio, TX launched in **August, 2023** (Tables 2(a) and 2(b)); **Franchisee #3** located in Charlotte, NC launched in **September, 2023** (Tables 3(a) and 3(b)); **Franchisee #4** located in Greensboro, NC launched in **October, 2023** (Tables 4(a) and 4(b)); **Franchisee #5** located in Louisville, KY launched in **May, 2024** (Tables 5(a) and 5(b)); **Franchisee #6** located in St. George, UT launched in **September, 2024** (Tables 6(a) and 6(b)); **Franchisee #7** located in Henderson, NV launched in **December, 2024** (Tables 7(a) and 7(b)); **Franchisee #8** located in Dawsonville, GA launched in **February, 2025** (Tables 8(a) and 8(b)); **Franchisee #9** located in Bayport, MN launched in **June, 2025** (Tables 9(a) and 9(b)).

Table 1(a)
Income Statement for the Represented Franchisee
For the Reporting Period

	Total	Percentage of Revenue
Gross Sales (1)	$2,888,568	100.00%
Cost of Sales (2)	1,769,506	61.26%
Gross Profit (3)	1,119,061	38.74%
Operating Expenses (4)		
Advertising & Marketing	34,349	1.19%
Software Fees	120,252	4.16%
Background Checks	7,226	0.25%
Royalty Fee (6)	168,113	5.82%
Marketing Fee (6)	28,836	1.00%
Insurances	10,265	0.36%
Accounting	1,410	0.05%
Wages	331,072	11.46%
Telephone	1,297	0.04%
Other	36,282	1.26%
Total Operating Expenses	739,102	25.59%
Revenues less Expenses (5)	$379,959	13.15%

Table 1(b)

Key Performance Indicators for the Represented Franchise
For the Reporting Period

Gross Profit Percentage	39%
Average # of Clients Served/Month	58
Average Revenue/Client/Month	$4,150
Average Billable Hours/Week/Client	28
Average Billable Rate/Hour	$30
Average Caregiver Pay Rate/Hour	$18
Gross Profit per Hour	$12

Table 2(a)
Income Statement for the Represented Franchisee
For the Reporting Period

	Total	**Percentage of Revenue**
Gross Sales (1)	$1,390,655	100.00%
Cost of Sales (2)	899,707	64.70%
Gross Profit (3)	490,949	35.30%
Operating Expenses (4)		
Advertising & Marketing	17,731	1.28%
Software Fees	49,525	3.56%
Background Checks	2,431	0.17%
Royalty Fee (6)	81,930	5.89%
Marketing Fee (6)	13,907	1.00%
Insurance - Liability	6,506	0.47%
Accounting	2,528	0.18%
Wages	31,707	2.28%
Telephone	4,361	0.31%
Other	19,318	1.39%
Total Operating Expenses	229,944	16.53%
Revenues less Expenses (5)	$261,005	18.77%

Table 2(b)

Key Performance Indicators for the Represented Franchise
For the Reporting Period

Gross Profit Percentage	35%
Average # of Clients Served/Month	16
Average Revenue/Client/Month	$7,625
Average Billable Hours/Week/Client	58
Average Billable Rate/Hour	$30
Average Caregiver Pay Rate/Hour	$20
Gross Profit per Hour	$10

Table 3(a)
Income Statement for the Represented Franchisee
For the Reporting Period

	Total	**Percentage of Revenue**
Gross Sales (1)	$1,818,727	100.00%
Cost of Sales (2)	1,206,033	66.31%
Gross Profit (3)	612,694	33.69%
Operating Expenses (4)		
Advertising & Marketing	1,348	0.07%
Software Fees	66,561	3.66%
Background Checks	8,269	0.45%
Royalty Fee (6)	108,201	5.95%
Marketing Fee (6)	16,550	0.91%
Insurance - Liability	6,019	0.33%
Accounting	-	0.00%
Wages	150,358	8.27%
Telephone	6,910	0.38%
Other	20,984	1.15%
Total Operating Expenses	385,201	21.18%
Revenues less Expenses (5)	$227,493	12.51%

Table 3(b)

Key Performance Indicators for the Represented Franchise
For the Reporting Period

Gross Profit Percentage	34%
Average # of Clients Served/Month	25
Average Revenue/Client/Month	$6,098
Average Billable Hours/Week/Client	44
Average Billable Rate/Hour	$32
Average Caregiver Pay Rate/Hour	$21
Gross Profit per Hour	$11

Table 4(a)
Income Statement for the Represented Franchisee
For the Reporting Period

	Total	**Percentage of Revenue**
Gross Sales (1)	$2,020,997	100.00%
Cost of Sales (2)	1,307,505	64.70%
Gross Profit (3)	713,492	35.30%
Operating Expenses (4)		
Advertising & Marketing	16,653	0.82%
Software Fees	91,248	4.51%
Background Checks	6,843	0.34%
Royalty Fee (6)	117,842	5.83%
Marketing Fee (6)	19,640	0.97%
Insurance - Liability	4,873	0.24%
Accounting	8,520	0.42%
Wages	39,741	1.97%
Telephone	2,324	0.11%
Other	38,430	1.90%
Total Operating Expenses	346,114	17.13%
Revenues less Expenses (5)	$367,378	18.18%

Table 4(b)

Key Performance Indicators for the Represented Franchise
For the Reporting Period

Gross Profit Percentage	35%
Average # of Clients Served/Month	34
Average Revenue/Client/Month	$5,011
Average Billable Hours/Week/Client	39
Average Billable Rate/Hour	$29
Average Caregiver Pay Rate/Hour	$19
Gross Profit per Hour	$10

Table 5(a)
Income Statement for the Represented Franchisee
For the Reporting Period

	Total	**Percentage of Revenue**
Gross Sales (1)	$2,474,018	100.00%
Cost of Sales (2)	1,641,682	66.36%
Gross Profit (3)	832,336	33.64%
Operating Expenses (4)		
Advertising & Marketing	32,233	1.30%
Software Fees	114,405	4.62%
Background Checks	6,160	0.25%
Royalty Fee (6)	142,635	5.77%
Marketing Fee (6)	23,772	0.96%
Insurance - Liability	3,847	0.16%
Accounting	400	0.02%
Wages	124,790	5.04%
Telephone	7,805	0.32%
Other	30,581	1.24%
Total Operating Expenses	486,628	19.67%
Revenues less Expenses (5)	$345,708	13.97%

Table 5(b)

Key Performance Indicators for the Represented Franchise
For the Reporting Period

Gross Profit Percentage	34%
Average # of Clients Served/Month	35
Average Revenue/Client/Month	$6,001
Average Billable Hours/Week/Client	41
Average Billable Rate/Hour	$34
Average Caregiver Pay Rate/Hour	$23
Gross Profit per Hour	$11

Table 6(a)
Income Statement for the Represented Franchisee
For the Reporting Period

	Total	**Percentage of Revenue**
Gross Sales (1)	$1,275,936	100.00%
Cost of Sales (2)	821,661	64.40%
Gross Profit (3)	454,275	35.60%
Operating Expenses (4)		
Advertising & Marketing	8,778	0.69%
Software Fees	46,068	3.61%
Background Checks	11,675	0.91%
Royalty Fee (6)	64,194	5.03%
Marketing Fee (6)	10,938	0.86%
Insurance - Liability	5,521	0.43%
Accounting	4,000	0.31%
Wages	-	0.00%
Telephone	-	0.00%
Other	36,222	2.84%
Total Operating Expenses	187,396	14.69%
Revenues less Expenses (5)	266,879	20.92%

Table 6(b)

Key Performance Indicators for the Represented Franchise
For the Reporting Period

Gross Profit Percentage	36%
Average # of Clients Served/Month	46
Average Revenue/Client/Month	$3,884
Average Billable Hours/Week/Client	30
Average Billable Rate/Hour	$30
Average Caregiver Pay Rate/Hour	$20
Gross Profit per Hour	$10

Table 7(a)
Income Statement for the Represented Franchisee
For the Reporting Period

	Total	**Percentage of Revenue**
Gross Sales (1)	$532,867	100.00%
Cost of Sales (2)	345,281	64.80%
Gross Profit (3)	187,586	35.20%
Operating Expenses (4)		
Advertising & Marketing	8,234	1.55%
Software Fees	23,928	4.49%
Background Checks	2,748	0.52%
Royalty Fee (6)	25,366	4.76%
Marketing Fee (6)	4,753	0.89%
Insurance - Liability	2,987	0.56%
Accounting	3,600	0.68%
Wages	28,796	5.40%
Telephone	639	0.12%
Other	23,308	4.37%
Total Operating Expenses	124,359	23.34%
Revenues less Expenses (5)	$63,227	11.87%

Table 7(b)

Key Performance Indicators for the Represented Franchise
For the Reporting Period

Gross Profit Percentage	35%
Average # of Clients Served/Month	40
Average Revenue/Client/Month	$2,003
Average Billable Hours/Week/Client	17
Average Billable Rate/Hour	$28
Average Caregiver Pay Rate/Hour	$18
Gross Profit per Hour	$10

Table 8(a)
Income Statement for the Represented Franchisee
For the Reporting Period

	Total	**Percentage of Revenue**
Gross Sales (1)	$566,394	100.00%
Cost of Sales (2)	346,246	61.13%
Gross Profit (3)	220,148	38.87%
Operating Expenses (4)		
Advertising & Marketing	5,539	0.98%
Software Fees	21,635	3.82%
Background Checks	2,251	0.40%
Royalty Fee (6)	25,547	4.51%
Marketing Fee (6)	4,903	0.87%
Insurance - Liability	3,020	0.53%
Accounting	2,900	0.51%
Wages	54,826	9.68%
Telephone	633	0.11%
Other	16,648	2.94%
Total Operating Expenses	137,902	24.35%
Revenues less Expenses (5)	$82,246	14.52%

Table 8(b)

Key Performance Indicators for the Represented Franchise
For the Reporting Period

Gross Profit Percentage	39%
Average # of Clients Served/Month	21
Average Revenue/Client/Month	$5,312
Average Billable Hours/Week/Client	40
Average Billable Rate/Hour	$31
Average Caregiver Pay Rate/Hour	$19
Gross Profit per Hour	$12

Table 9(a)
Income Statement for the Represented Franchisee
For the Reporting Period

	Total	**Percentage of Revenue**
Gross Sales (1)	$342,216	100.00%
Cost of Sales (2)	240,687	70.33%
Gross Profit (3)	101,529	29.67%
Operating Expenses (4)		
Advertising & Marketing	3,154	0.92%
Software Fees	12,335	3.60%
Background Checks	1,026	0.30%
Royalty Fee (6)	9,415	2.75%
Marketing Fee (6)	1,569	0.46%
Insurance - Liability	2,447	0.72%
Accounting	5,844	1.71%
Wages	-	0.00%
Telephone	2,137	0.62%
Other	12,472	3.64%
Total Operating Expenses	50,400	14.73%
Revenues less Expenses (5)	$51,129	14.94%

Table 9(b)

Key Performance Indicators for the Represented Franchise For the Reporting Period

Gross Profit Percentage	34%
Average # of Clients Served/Month	7
Average Revenue/Client/Month	$6,788
Average Billable Hours/Week/Client	64
Average Billable Rate/Hour	$38
Average Caregiver Pay Rate/Hour	$25
Gross Profit per Hour	$13

Notes to Tables (a):

1. The term "**Gross Sales**" means all revenue that you receive or otherwise derive from the operation of the Franchised Business including (a) revenue billed or invoiced by you or your designee to clients, or (b) any other revenue you receive from any party for products or services sold or provided in connection with the Franchised Business.

2. The term "**Cost of Sales**" means the total amount of labor compensation paid to caregivers on behalf of clients.

3. The term "**Gross Profit**" is equal to Gross Sales minus Cost of Sales.

4. **Operating Expenses**: We have made certain adjustments to the franchisee's operating expenses to reflect a more normalized results of operations for the typical franchisee that may not incur certain expenses reported to us by Represented Franchisees. For example, the line item for wages includes compensation paid to administrative and sales employees, but it does not include any compensation or benefits paid to the Represented Franchisee owner. As the amount will vary by each Franchised Business, thus we have not included owners' compensation in this table. Another example is that all of the Represented Franchisees work from a home office and employees work remotely, thus there is no rent expense. Your situation may be different and thus you would have to include a budgeted amount for rent, if necessary.

5. **Revenues less Expenses** means cash flow from operations before interest, taxes, depreciation, and amortization.

6. Some of the represented **Royalty and Marketing Fees** are less than the required percentages because of the grace period allowed after launch of your business, before you

are required to pay them. Another factor is that the fees are collected in arrears, for example, fees related to the month of December revenues are not paid by you until the following month so if you adopted the cash basis of accounting the percentage may vary slightly.

General Notes:

The **Represented Franchisees i**n the above Tables were selected from the top performing 50th percentile ("group") of all franchisees launched at differing times for the calendar years 2022-2025. The number of franchisees launched in 2022 or before was 2 with a group average gross revenue of $2,233,842; in 2023 was 15 franchisees launched with a group average gross revenue of $1,958,006; in 2024 was 20 franchisees launched with a group average gross revenue of $907,542.

This financial performance representation does not necessarily contain complete information concerning the operating costs and expenses that you personally may incur in operating your Franchised Business due to your unique circumstances or choices.

The figures in these Tables are financial performance representations using financial reports submitted by the Represented Franchisees. We have not audited or independently verified these financial reports, although we have no information or other reason to believe that they are unreliable. No certified public accountant has audited these figures or expressed his or her opinion concerning their content or form.

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

We encourage you to consult with your own accounting, business, and legal advisors to assist you to prepare your budgets and projections, and to assess the likely or potential financial performance of your franchise. We also encourage you to contact existing franchisees to discuss their experiences with the system and their Franchised Business. Notwithstanding the information set forth in this financial performance representation, our existing franchisees are your best source of information about franchise operations.

Other than in this Item 19, 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 receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Steve Everhart, CEO, Hallmark Homecare, LLC, 774 Mays Blvd., Suite 10-297, Incline Village, Nevada 89451 (Tel. 888-725-3655), the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Businesses Summary
For Years 2023 to 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Businesses	2023	2	25	23
	2024	25	36	11
	2025	36	59	23
Company-Owned Businesses	2023	1	0	1
	2024	0	0	0
	2025	0	0	0
Total Hallmark Businesses	2023	2	25	23
	2024	25	36	11
	2025	36	59	23

Table No. 2
Transfers of Franchised Businesses from Franchisees to New Owners (other than the Franchisor)
For Years 2023 to 2025

State	Year	Number of Transfers
Total	2023	0
	2024	0
	2025	0

Table No. 3
Status of Franchised Businesses
For Years 2023 to 2025

State	Year	Businesses at Start of Year	Businesses Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Businesses at End of the Year
Alabama	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	1	0
Arizona	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	2	0	0	0	0	2
Florida	2023	0	3	0	0	0	0	3

State	Year	Businesses at Start of Year	Businesses Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Businesses at End of the Year
	2024	3	4	0	0	0	0	7
	2025	7	6	0	0	1	2	10
Georgia	2023	0	5	0	0	0	0	5
	2024	5	0	0	0	0	0	5
	2025	5	2	0	0	1	0	6
Idaho	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Kansas	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Kentucky	2023	0	0	0	0	0	0	0
	2024	0	2	0	0	0	0	2
	2025	2	0	0	0	0	1	1
Michigan	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	2	0	0	0	0	3
Minnesota	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	1	0	0	0	0	2
Missouri	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
N Carolina	2023	1	3	0	0	0	0	4
	2024	4	1	0	0	0	0	5
	2025	5	4	0	0	0	0	9
S Carolina	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Nebraska	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	1	0	0	0	0	2
Nevada	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Ohio	2023	0	2	0	0	0	0	2
	2024	2	1	0	0	0	2	1
	2025	1	0	0	0	0	0	1
Oklahoma	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Tennessee	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	1	0	0	0	0	2
Texas	2023	0	6	0	0	0	0	6
	2024	6	0	0	0	0	1	5

State	Year	Businesses at Start of Year	Businesses Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Businesses at End of the Year
	2025	5	7	0	0	0	2	10
Utah	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	1	1
	2025	1	0	0	0	0	0	1
Virginia	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
	2025	2	1	0	0	0	1	2
Wisconsin	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	1	0	0	0	0	2
Totals	2023	2	23	0	0	0	0	25
	2024	25	15	0	0	0	4	36
	2025	36	32	0	0	2	7	59

Table No. 4
Status of Company-Owned Businesses
For Years 2023 to 2025

State	Year	Businesses at Start of the Year	Businesses Opened	Businesses Reacquired from Franchisee	Businesses Closed	Businesses Sold to Franchisee	Businesses at End of the Year
Nevada	2023	1	0	0	1	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Totals	2023	1	0	0	1	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0

Table No. 5
Projected Openings as of December 31, 2025
For Fiscal Year Ending on December 31, 2026

State	Franchise Agreements Signed But Outlet Not Open As of 12/31/25	Projected New Franchised Outlets to Open in 2026 Fiscal Year	Projected New Company-Owned Outlets to Open In 2026 Fiscal Year
Alabama	0	0	0
Arizona	1	1	0
California	0	12	0
Florida	1	3	0
Georgia	0	1	0
Kansas	0	0	0
Iowa	1	0	0
Michigan	0	1	0

State	Franchise Agreements Signed But Outlet Not Open As of 12/31/25	Projected New Franchised Outlets to Open in 2026 Fiscal Year	Projected New Company-Owned Outlets to Open In 2026 Fiscal Year
Missouri	0	0	0
Nebraska	0	0	0
Nevada	0	0	0
N Carolina	0	1	1
S Carolina	0	1	0
Ohio	2	1	0
Tennessee	2	1	0
Texas	0	3	0
Utah	1	0	0
Virginia	1	0	0
Wisconsin	0	1	0
Total	**9**	**26**	**1**

Current and Former Franchisees. Set forth on **Exhibit A** are: (i) the names of all current franchisees and the address and telephone number of each of their Franchised Businesses, and (ii) the names, city and state, and the current business telephone number, or, if unknown, the last known home telephone number of every franchisee who had a Franchised Business terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under any Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of this disclosure document's issuance date.

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

Confidentiality Agreements. We have not signed confidentiality clauses with current or former franchisees in the past three fiscal years. In some instances, current and former franchisees may sign provisions restricting their ability to speak openly about their experience with the Hallmark Homecare system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

Trademark–Specific Franchisee Organizations. As of the date of this disclosure document, there are no trademark-specific franchisee organizations associated with our franchise system.

Item 21

FINANCIAL STATEMENTS

Exhibit B contains the audited financial statement of HHC for the year ended December 31, 2025, December 31, 2024 and December 31, 2023. The audited financial statements have been prepared in accordance with United States generally accepted accounting principles. HHI guarantees the performance of our obligations under the Franchise Agreement. A copy of HHI's Guaranty of our obligations is also attached as Exhibit B.

Item 22

CONTRACTS

The following agreements are attached as exhibits to this Disclosure Document:

Franchise Agreement	Exhibit C
Payment and Performance Guarantee	Exhibit C to the Franchise Agreement
State-Required Franchise Agreement Addenda	Exhibit F
Nondisclosure and Noncompete Agreements	Exhibit G
General Release	Exhibit H
Guaranty	Exhibit B

EXHIBIT A
TO THE FDD

LIST OF CURRENT AND FORMER FRANCHISEES

List of Current Franchisees (as of December 31, 2025):

Name	Address	City	State	Phone
Philip Herron	1 W Fifth St, Unit 207	Winston Salem	NC	631-512-6690
Josh & Melissa Reuter	20458 Everton Trail North	Forest Lake	MN	651-335-1361
Patrick Dickenson	709 Windy Hill Dr	McKinney	TX	214-836-9423
Philip Marxen	2411 Vernon Dr	Charlotte	NC	202-247-1727
Will Childers	1629 N Pelham Rd. NE	Atlanta	GA	706-338-5528
Jason & Alison Jarrett	231 40th Ave S	Jacksonville Beach	FL	904-451-6167
Avante Upshaw, Alex Walker & Myron McKeller	2387 Beecher Rd	Atlanta	GA	404-831-2178
Chris & Rowena Hartman	1604 Heatherwood Dr.	Decatur	GA	404-644-5755
Chad & Tricia Hahlen	622 Penstemon Trail	San Antonio	TX	210-758-9915
Walter & Ena Richards	106 Denny Ridge Road	Jasper	GA	470-854-6005
Brandon & Jenelle Baily	108 Lei Lani Drive	Lebanon	TN	951-265-7016
William Thach	2131 Dilworth Rd E	Charlotte	NC	610-585-3283
Jeremy & Stephanie Deaver	5818 Griffin Village Ct	Greensboro	NC	336-268-7904
Joe Lariscy and Paul & Ashlyn Crane	7600 Hightower Dr	North Richland Hills	TX	254-224-2002
Ryan Fullmer and Zack & Julie Springer	9050 West Overland Rd Ste 210	Boise	ID	208-412-5487
Luke & Jennifer Anderton	2313 Mizner Bay Ave	Bradenton	FL	941-666-9393
Kevin & Jessica Darczuk	11605 West Garfield Ave	Wauwatosa	WI	414-406-1020
Tony Grego	1082 Fresno Dr.	Westlake	OH	412-334-0401
Cecilia Kalach & Dan Ginsberg	2000 Island Blvd #1209	Aventura	FL	305-457-1511
Tim Leow & Jamie Princ	410 Bennett Mountain Trace	Chapel Hill	NC	919-619-3393
Bob & Cheer Papworth	2283 North Cascade Dr	St. George	UT	541-797-9635

Vipul Patel	10043 Brocksport Cir	Gotha	FL	321-663-0548
Robert Pattison	10985 Thrush Ridge	Reston	VA	571-585-0805
Alan Reyes	2884 Josephine Dr.	Henderson	NV	818-730-4536
Tyler Seman	6930 W Knollwood	West Bloomfield	MI	248-762-4252
Shane Sparks	2922 Riedling Drive	Louisville	KY	502-445-7992
Jason Viergutz	134 South 13th St Suite 1200	Lincoln	NE	402-460-9389
Michael Wang	1286 Overcash Drive	Dunedin	FL	510-709-5093
Thomas Graney	4679 Wildaire Ln	Leland	NC	973-714-1273
Lisa McNally	10498 Carolina Willow Dr	Fort Myers	FL	239-560-5952
Felicia Neeley	1221 Normandie Way	Vero Beach	FL	917-459-9217
George Danforth	19315 Trotting Green Trail	Tomball	TX	281-796-2135
Melissa Mateus & Jamie Smith	511 North Hubert Ave	Tampa	FL	203-815-3687
Stephen Ingersoll	4215 Waterbury Dr	Charlotte	NC	704-420-6868
Marisa Rothbard	3140 Mantle Ridge Dr	Apex	NC	203-521-7527
Kia Lumas	11912 Junewood Trail	Keller	TX	504-648-7802
Doug & Dottie Yates	199 Holly Hill Rd	Dawsonville	GA	678-427-6598
Patrick Adusei & Lina Libreros	1650 Milford Creek Overlook Southwest	Marietta	GA	470-647-6760
Kevin & Catherine Aufdenkamp	1001 East 19th Street	Tulsa	OK	501-837-4101
Trent & Jeorgia Brown	3305 Vista Lake Cir	Mansfield	TX	682-283-0331
John & Kami Griffith	1033 Inspiration Pkwy North	Bayport	MN	714-821-2724
Terry & Sheryl Kincheloe	2526 SW Wintervally Ct.	Lee’s Summit	MO	816-876-1201
Christopher Kuffner	22825 Vasillios Court	Novi	MI	313-450-5956
Shawn & Bahar Moozoun	6 Twilight Glen Court	Spring	TX	410-591-6921
Lindsey Schiller	1707 Spyglass Dr Unit 39	Austin	TX	608-469-7342
Zack & Jadie Schober	3833 North 60th Place	Scottsdale	AZ	206-491-5928
James Secker	2304 Thunder Gulch Ct	Waxhaw	NC	704-619-5069
Remi Sokale	11 Volerran Path Ln	Missouri City	TX	832-689-2107
Josh Thomas	7410 Barrel Oak Place	Manassas	VA	404-317-8237
Dan & Sandra Trott	9400 West 191st Street	Bucyrus	KS	816-729-1336
Mark Wittman and Jennifer DiMartino	2929 Weslayan Street #1103	Houston	TX	281-971-3233

Dennis Klein	2150 Leonard St NW	Grand Rapids	MI	616-648-6112
Cole Thurmon	567 Flambeau Retreat	Mount Pleasant	SC	850-499-0621
David & Natalie Crain	10311 Shady Birch Trail	Verona	WI	608-338-6400
Travis Pond	9811 Redman Ave	Omaha	NE	402-609-8781
Ronnie & Alan Lewis	7921 Swaggerty Rd	Knoxville	TN	954-629-8726
Patrick Spangler	33550 North Dove Lakes Dr Unit 1026	Cave Creek	AZ	763-843-5427
Matthew Dorman	8740 Southwest 87th St	Miami	FL	786-770-9786
James & Marigrace Bartolini	8925 Woodgrove Ridge Ct.	Boynton	FL	561-441-4405

List of Franchisees that Left the System in Fiscal Year 2025:

Name	Address	City	State	Phone
Marshall Davis * Randi Bloom	6774 Royal Orchid Cir	Delray Beach	FL	561-271-8340
Hrishi Menon	614 Arbor Press Ct.	Glen Allen	VA	804-972-9374
Michael & Stephanie Patrick	118 Knoll Way	Jupiter	FL	315-396-1240
Patrick & Brittney Stacey	270 McAcres Dr	McDade	TX	505-550-1157
Jean Roberts	5350 Laithbank Ln.	Alpharetta	GA	770-584-6462
Chris & Melony Frizzell	4785 Ballantrae Blvd	Land O' Lakes	FL	616-318-8523
Charles & Virginia Keith	1900 South College Ave	Tyler	TX	251-422-5844
Bob & Arvinder Sidhu	821 Griffin Park View	Birmingham	AL	205-902-9049
Amanda Kidwell	915 Washington St	Flatwoods	KY	606-922-0702

EXHIBIT B
TO THE FDD

FINANCIAL STATEMENTS

GUARANTEE OF PERFORMANCE

For value received, HALLMARK HOMECARE, INC., a Nevada corporation with a principal place of business at 774 Mays Blvd. Suite 10-297, Incline Village, Nevada 89451 (the **"Guarantor"**), absolutely and unconditionally guarantees to assume the duties and obligations of HALLMARK HOMECARE, LLC, a Nevada limited liability company with a principal place of business at 774 Mays Blvd. Suite 10-297, Incline Village, Nevada 89451 (the "**Franchisor**"), under (a) its franchise registration in each state where the franchise is registered and (b) its Franchise Agreement identified in its 2023 Franchise Disclosure Document, as it may be amended, and as such Franchise Agreement may be entered into with franchisees and amended, modified, or extended from time to time. This guarantee continues until (i) all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or (ii) the liability of the Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at 774 Mays Blvd. Suite 10-297, Incline Village, Nevada 89451 on the 11th day of February, 2023.

Guarantor:

HALLMARK HOMECARE, INC.

By: _____

Name: Steven Everhart

Title: President

EDWARD A. ROSE, JR.
CERTIFIED PUBLIC ACCOUNTANT, P.C.
(LICENSED IN TEXAS, CALIFORNIA, & NEVADA)

ONE HARBOUR SQUARE
3027 MARINA BAY DRIVE, SUITE 208
LEAGUE CITY, TEXAS 77573

edrose@edroseattorneycpa.com

OFF: 713-581-6029
CELL: 760-580-7511
FAX: 832-201-9960

Independent Auditor's Acknowledgment

The Board of Directors
Hallmark Homecare, LLC

Edward A. Rose, Jr., CPA, PC consents to the use in the Franchise Disclosure Document dated March 27, 2026 issued by Hallmark Homecare, LLC ("Franchisor") of our report dated January 29, 2026, relating to the financial statements of Hallmark Homecare, LLC as of December 31, 2025 and for the year ended December 31, 2025.

CPA PC

Edward A. Rose, Jr., CPA, PC
League City, Texas 77573
January 29, 2026

HALLMARK HOMECARE, LLC

FINANCIAL STATEMENTS
DECEMBER 31, 2025

HALLMARK HOMECARE, LLC
DECEMBER 31, 2025
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EDWARD A. ROSE, JR.
CERTIFIED PUBLIC ACCOUNTANT, P.C.
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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS
HALLMARK HOMECARE, LLC
INCLINE VILLAGE, NEVADA

Opinion

We have audited the accompanying financial statements of Hallmark Homecare, LLC (a Nevada Limited Liability Company), which comprise the balance sheet as of December 31, 2025, and the related statements of income, members' equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hallmark Homecare, LLC as of December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial 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 Hallmark Homecare, Inc's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

MEMBER: AMERICAN INSTITUTE OF CPAS, TEXAS SOCIETY OF CPAS, CALIFORNIA SOCIETY OF CPAS

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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial 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 Hallmark Homecare, 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 Hallmark Homecare, 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.

Edward A. Rose, Jr., CPA, PC
League City, Texas
January 29, 2026

HALLMARK HOMECARE, LLC
BALANCE SHEET
December 31, 2025

ASSETS	
CURRENT ASSETS:	
Cash and Cash Equivalents	$ 804,174
Royalties Receivable	14,219
Notes Receivable- Franchisees	19,000
Total Current Assets	837,393
PROPERTY AND EQUIPMENT AND INTANGIBLES	
Property and Equipment and Intangible Costs, Net	1,345,337
OTHER ASSETS	
Prepaid Expenses	15,000
Notes Receivable	149,620
Franchise Territories Held for Sale	183,000
Total Assets	$ 2,530,350
LIABILITIES AND STOCKHOLDERS' EQUITY	
CURRENT LIABILITIES	
Accounts Payable	$ 19,565
Note Payable- SBA Loan	1,444
Total Current Liabilities	21,009
LONG TERM DEBT	
Accrued Interest- SBA Loan	5,252
Note Payable- SBA Loan	52,795
Total Long Term Liabilities	58,047
Members' Equity	
Members' Equity	2,451,294
Total Members' Equity	2,451,294
Total Liabilities and Members' Equity	$ 2,530,350

The accompanying notes are an integral part of these financial statements

HALLMARK HOMECARE, LLC
STATEMENT OF INCOME
For the Year Ended December 31, 2025

Revenues	
Sale of Franchises	$ 3,303,342
Royalties	2,096,264
National Marketing Fund	323,273
Interest Income	3,542
Client Services	5,391
Other	65,000
Total Revenues	5,796,812
Cost of Sales	
Broker Commissions	2,623,668
Caregiver Fees	3,370
Total Cost of Sales	2,627,038
Gross Profit	3,169,774
Operating Expenses	2,736,333
Net Income	$ 433,441

The accompanying notes are an integral part of these financial statements

HALLMARK HOMECARE, LLC
STATEMENT OF MEMBERS' EQUITY
For the Year Ended December 31, 2025

Beginning Balance 1/1/25	$ 1,073,853
Capital Contributions	1,245,000
Capital Distributions	(301,000)
Net Income	433,441
Ending Balance 12/31/25	$ 2,451,294

The accompanying notes are an integral part of these financial statements

HALLMARK HOMECARE, LLC
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2025

Cash Flows from Operating Activities:	
Net Income	$ 433,441
Adjustments	
Provided by (Used In) Operating Activities:	
Depreciation	3,893
Amortization	72,030
Loss on Abandoned Assets	66,500
(Increase) Decrease in Royalties Receivable	(9,697)
(Increase) Decrease in Notes Receivable- Franchisees	444
(Increase) Decrease in Notes Receivable- LT Franchisees	(149,620)
(Increase) Decrease in Prepaid Expenses	(15,000)
Increase (Decrease) in Accounts Payable	(162,232)
(Decrease) Increase in Deposits on Territory	(20,000)
Net Cash Provided by Operating Activities	$ 219,759
Cash Flows From Investing Activities	
HallmarkXL Operating System	(970,870)
Franchise Territories Held for Sale	104,560
Net Cash Used by Investing Activities	$ (866,310)
Cash Flows From Financing Activities	
Payment of SBA loan	(1,391)
Payment on Loan from Related Party	(90,000)
Contributions of Capital	1,245,000
Distributions of Capital	(301,000)
Net Cash Provided by Financing Activities	$ 852,609
Net Increase In Cash and Cash Equivalents	$ 206,058
Cash and Cash Equivalents, Beginning of Year	598,116
Cash and Cash Equivalents, End of Period	$ 804,174

The accompanying notes are an integral part of these financial statements

HALLMARK HOMECARE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 1: THE ORGANIZATION AND OPERATIONS

On October 31, 2011, Hallmark Homecare, Inc. (the "Company") was incorporated in the State of Nevada. The Company was operating principally as a Direct Referral Agency and as a Franchisor ("Franchisees") of trademarked referral service business offering caregiver search, recruitment and placement services to the elderly and others. The Company's franchisees were trained in marketing, sales, and recruiting individuals who are experienced caregivers who provide professional and reliable services to clients. On April 1, 2023 the Company reorganized and changed its organizational structure to a Limited Liability Company organized in the State of Nevada operating principally as a Franchisor ("Franchisees") with the objective of offering franchises.

Hallmark Homecare, Inc., funded the business operations into a newly established entity in exchange for a 51% Class A Interest, and granted 49% Class B Interest (carried interests), to certain key employees/consultants. The Class B Members receive allocations of profits/losses but do not receive distributions, other than tax distributions, until such time as the Class A Member receives back its capital contribution valued based on the appraisal. The Company's franchisees are trained in marketing, sales, and recruiting individuals who are experienced caregivers who provide professional and reliable services to clients.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash

Cash consists of demand deposits in FDIC insured financial institutions. At December 31, 2025, the Company did have cash balances in excess of the FDIC insurance limit of $250,000 in the amount of $551,423. For purposes of the Statement of Cash Flows the Company considers all highly liquid securities with an original maturity of three months or less to be cash equivalents.

Income Taxes

The Company as a Limited Liability Company does not incur income tax. The members of the Limited Liability Company are taxed on the Company's taxable income.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property

Property such as computers, furniture and fixtures, autos, and equipment are stated at cost. Gains and losses on the disposition of property are reflected in income as realized. Depreciation for Property and Equipment is computed using the straight-line method over estimated useful lives of three to six years and for Intangibles over ten years. The Company expenses all items with a cost of $500 or less.

Marketing and Advertising

All costs incurred by the Company for marketing and advertising are expensed as incurred. Franchise promotions for the year ended December 31, 2025 is $183,256.

Use of Estimates

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

Fair Value Measurement

The Company has determined the fair value of current assets and liabilities through application of FASB ASC 820-10, Fair Value Measurements ("Fair Value Measurements"). Fair Value Measurements establish a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy under Fair Value Measurements are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active or financial instruments for which all significant inputs are observable, either directly or indirectly; and

Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

FAIR VALUE MEASUREMENT (CONTINUED)

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Short-term financial instruments, including cash, royalties and contracts receivable, accounts payable and other liabilities, consist primarily of instruments without extended maturities, the fair value of which, based on management's estimates, approximated their carrying values. The carrying amount of long-term debt approximates fair value because those financial instruments generally bear interest at variable rates that approximate current market rates for debt with similar maturities and credit quality.

All the assets and liabilities of the company are not subject to the fair value hierarchy as these assets and liabilities are stated at fair value.

NOTE 3: PROPERTY AND EQUIPMENT

Property and Equipment at December 31, 2025, consists of the following:

Computers	$ 6,702
Furniture and Fixtures	12,765
HallmarkXL Operating System	1,408,870
Total	1,428,337
Less: Accumulated Depreciation	(10,970)
Lrss: Accumulated Amortization	(72,030)
Net Property and Equipment	**$ 1,345,337**

NOTE 4: RELATED PARTY TRANSACTIONS

The Company rented office space from a related party on a monthly basis. For 2025 the company paid $84,000. to the related party.

NOTE 5: SUBSEQUENT EVENTS

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through January 29, 2026, the date the financial statements were available to be issued.

NOTE 6: IMPAIRMENT OF LONG-LIVED ASSETS

The Organization does not estimate any impairment loss on its assets that are held and used. The carrying value of its assets approximates fair market value.

NOTE 7: ASC 606

The Company has adopted Revenue from Contracts with Customers (codified as ASC 606), which, along with subsequent amendments replaced substantially all of the relevant U.S. GAAP revenue recognition guidance. ASC 606, as amended, is based on the principle that revenue is recognized to depict the contractual transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services utilizing a new five-step revenue recognition model, which steps include (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

Pursuant to FASB 2021-02 dated January 2021 (Franchisors-Revenue from Contracts with Customers (Subtopic 952-606) (Practical Expedient), A non-Public Business Entity franchisor may account for the following pre-opening services as distinct from the franchise license:

Assistance in the selection of a site.

Assistance in obtaining facilities and preparing the facilities for their intended use, including related financing, architectural, and engineering services, and lease negotiation.

Training of the franchisee's personnel or the franchisee.

Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping.

Bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes or about regulations affecting the franchisee's business.

Inspection, testing, and other quality control programs.

NOTE 7: ASC 606 (CONTINUED)

The Company has opted to account for these pre-opening services as distinct from the franchise license.

The Company receives an initial franchise fee from each franchise sale and recognizes revenue when all services under the franchise agreement are performed and the Practical Expedient. Continuing royalty fees based on gross revenues from operating franchises are billed one month in arrears. The Royalties receivable at January 1, 2025 was $ 4,522 and at December 31, 2025 is $14,219 which includes the National Marketing Fund. There have been no write offs of royalties receivable.

NOTE 8: SBA ECONOMIC INJURY DISASTER LOAN

In 2020 the Company also applied for an SBA Economic Injury Disaster Loan. The company was granted an EIDL loan in the amount of $59,900. at 3.75% interest over a term of thirty (30) years. The principal payments due on the loan are as follows:

2026	1,444.
2027	1,499.
2028	1,557.
2029	1,616.
2030	1,678.
Thereafter	46,445.
Total	**$ 54,239.**

There is also accrued interest in the amount of $5,252. since the inception of the loan. When added to the principal balance the total due on the SBA loan is $ 59,491.

NOTE 9: LEASE COMMITMENTS

In February 2016, FASB issued ASU 2016-02, Leases (Topic 842) and several amendments in order, to help increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing transactions. The standard, which is effective for fiscal years beginning after December 15, 2021, requires lessees to recognize assets and liabilities on the balance sheets for rights and obligations created by leases with terms of more than twelve months. Amortization for the lease asset is computed based on the straight-line method for financial statement reporting purposes.

NOTE 9: LEASE COMMITMENTS (Continued)

The Company has elected not to implement this standard since the lease is on a month to month basis. The Company leases the office space from a related party in the amount of $7,000. per month. The total amount paid for rent for the year ending December 31, 2025 is $84,000.

NOTE 10: Recently Adopted Accounting Guidance – Allowance for Credit Losses

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the company that are subject to the guidance in FASB ASC 326 are Royalties Receivable.

The Company adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new and enhanced disclosures only.

Royalties Receivable and Allowance for Credit Losses – Royalties Receivable is uncollateralized customer obligations which generally require payment within thirty days from the invoice date and are stated at the invoice amount. Accounts are placed on nonaccrual status when management determines that the balance will not be collected or the customer files for bankruptcy.

Royalties Receivable is recorded net of an allowance for credit losses. Account balances with invoices over 30 days old are considered delinquent. The allowance estimate is derived from a review of the Company's historical losses based on the aging of royalties receivable. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the company. The Company believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses because the Company's experience has remained relatively constant since the Company's inception. As of December 31, 2025, there was no allowance for credit losses.

NOTE 11: SUPPLEMENTAL DISCLOSURES FOR STATEMENT OF CASH FLOWS

Interest Paid	$2,125
Taxes Paid	None

Non-Cash Transactions: The Hallmark XLOperating System previously in Development in the amount of $438,000. was reclassified to Intangible Assets as the Hallmark XLOperating System was placed into service in May of 2025. The total cost of the Hallmark XLOperating System was $1,408,870.

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Independent Auditor's Acknowledgment

The Board of Directors
Hallmark Homecare, LLC

Edward A. Rose, Jr., CPA, PC consents to the use in the Franchise Disclosure Document dated March 31, 2025 issued by Hallmark Homecare, LLC ("Franchisor") of our report dated January 31, 2025, relating to the financial statements of Hallmark Homecare, LLC as of December 31, 2024 and for the year ended December 31, 2024.

CPA PC

Edward A. Rose, Jr., CPA, PC
League City, Texas 77573
January 31, 2025

HALLMARK HOMECARE, LLC

FINANCIAL STATEMENTS
DECEMBER 31, 2024

HALLMARK HOMECARE, LLC
DECEMBER 31, 2024
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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS
HALLMARK HOMECARE, LLC
INCLINE VILLAGE, NEVADA

Opinion

We have audited the accompanying financial statements of Hallmark Homecare, LLC (a Nevada Limited Liability Company), which comprise the balance sheet as of December 31, 2024, and the related statements of income, members' equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hallmark Homecare, LLC as of December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial 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 Hallmark Homecare, Inc's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

MEMBER: AMERICAN INSTITUTE OF CPAS, TEXAS SOCIETY OF CPAS, CALIFORNIA SOCIETY OF CPAS

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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial 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 Hallmark Homecare, 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 Hallmark Homecare, 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.

Edward A. Rose, Jr., CPA, PC
League City, Texas
January 31, 2025

HALLMARK HOMECARE, LLC
BALANCE SHEET
December 31, 2024

ASSETS	
CURRENT ASSETS:	
Cash and Cash Equivalents	$ 598,116
Royalties Receivable	4,522
Notes Receivable- Franchisees	19,444
Total Current Assets	622,082
PROPERTY AND EQUIPMENT AND INTANGIBLES	
Property and Equipment and Intangible Costs, Net	12,390
OTHER ASSETS	
Hallmark XL Operating System in Development	438,000
Franchises Held for Sale	354,060
Total Assets	$ 1,426,532
LIABILITIES AND STOCKHOLDERS' EQUITY	
CURRENT LIABILITIES	
Accounts Payable	$ 181,797
Deposit on Territory	20,000
Note Payable- SBA Loan	1,391
Total Current Liabilities	203,188
LONG TERM DEBT	
Accrued Interest- SBA Loan	5,252
Note Payable- SBA Loan	54,239
Loan from Related Party	90,000
Total Long Term Liabilities	149,491
Members' Equity	
Members' Equity	1,073,853
Total Members' Equity	1,073,853
Total Liabilities and Members' Equity	$ 1,426,532

The accompanying notes are an integral part of these financial statements

HALLMARK HOMECARE, LLC
STATEMENT OF INCOME
For the Year Ended December 31, 2024

Revenues	
Sale of Franchises	$ 2,938,621
Royalties	690,984
National Marketing Fund	121,648
Interest Income	6,499
Other	24,206
Total Revenues	3,781,958
Cost of Sales (Broker Commissions)	2,341,208
Gross Profit	1,440,750
Operating Expenses	2,141,450
Net Income (Loss) from Operations	(700,700)
Income Tax Expense	244
Net Income (Loss)	$ (700,944)

The accompanying notes are an integral part of these financial statements

HALLMARK HOMECARE, LLC
STATEMENT OF MEMBERS' EQUITY
For the Year Ended December 31, 2024

Beginning Balance 1/1/24	$ 1,379,171
Capital Contributions	400,000
Reclassifications	(4,374)
Net Loss	(700,944)
Ending Balance 12/31/24	$ 1,073,853

The accompanying notes are an integral part of these financial statements

HALLMARK HOMECARE, LLC
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2024

Cash Flows from Operating Activities:	
Net Loss	$ (700,944)
Adjustments	
Provided by (Used In) Operating Activities:	
Depreciation	3,893
(Increase) Decrease in Royalties Receivable	(10,763)
(Increase) Decrease in Notes Receivable- Franchisees	27,167
Increase (Decrease) in Accounts Payable	46,884
(Decrease) Increase in Deposits on Territory	(25,000)
Net Cash Used by Operating Activities	$ (658,763)
Cash Flows From Investing Activities	
Franchise Management Software in Development	(438,000)
Franchises held for Sale	(104,560)
Net Cash Used by Investing Activities	$ (542,560)
Cash Flows From Financing Activities	
Payment of SBA loan	(74)
Contributions of Capital	400,000
Net Cash Provided by Financing Activities	$ 399,926
Net Decrease In Cash and Cash Equivalents	$ (801,397)
Cash and Cash Equivalents, Beginning of Year	1,399,513
Cash and Cash Equivalents, End of Period	$ 598,116
SUPPLEMENTAL DISCLOSURES FOR STATEMENT OF CASH FLOWS	
Interest Paid	$ 244
Taxes Paid	None

The accompanying notes are an integral part of these financial statements

HALLMARK HOMECARE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1: THE ORGANIZATION AND OPERATIONS

On October 31, 2011, Hallmark Homecare, Inc. (the "Company") was incorporated in the State of Nevada. The Company was operating principally as a Direct Referral Agency and as a Franchisor ("Franchisees") of trademarked referral service business offering caregiver search, recruitment and placement services to the elderly and others. The Company's franchisees were trained in marketing, sales, and recruiting individuals who are experienced caregivers who provide professional and reliable services to clients. On April 1, 2023 the Company reorganized and changed its organizational structure to a Limited Liability Company organized in the State of Nevada operating principally as a Franchisor ("Franchisees") with the objective of offering franchises.

Hallmark Homecare, Inc., funded the business operations into a newly established entity in exchange for a 51% Class A Interest, and granted 49% Class B Interest (carried interests), to certain key employees/consultants. The Class B Members receive allocations of profits/losses but do not receive distributions, other than tax distributions, until such time as the Class A Member receives back its capital contribution valued based on the appraisal. The Company's franchisees are trained in marketing, sales, and recruiting individuals who are experienced caregivers who provide professional and reliable services to clients.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash

Cash consists of demand deposits in FDIC insured financial institutions. At December 31, 2024, the Company did have cash balances in excess of the FDIC insurance limit of $250,000 in the amount of $344,879. For purposes of the Statement of Cash Flows the Company considers all highly liquid securities with an original maturity of three months or less to be cash equivalents.

Income Taxes

The Company as a Limited Liability Company does not incur income tax. The members of the Limited Liability Company are taxed on the Company's taxable income.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property

Property such as computers, furniture and fixtures, autos, and equipment are stated at cost. Gains and losses on the disposition of property are reflected in income as realized. Depreciation is computed using the straight-line method over estimated useful lives of three to six years. The Company expenses all items with a cost of $500 or less.

Marketing and Advertising

All costs incurred by the Company for marketing and advertising are expensed as incurred. Franchise promotions for the year ended December 31, 2024 is $96,876.

Use of Estimates

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

Fair Value Measurement

The Company has determined the fair value of current assets and liabilities through application of FASB ASC 820-10, Fair Value Measurements ("Fair Value Measurements"). Fair Value Measurements establish a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy under Fair Value Measurements are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active or financial instruments for which all significant inputs are observable, either directly or indirectly; and

Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

FAIR VALUE MEASUREMENT (CONTINUED)

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Short-term financial instruments, including cash, royalties and contracts receivable, accounts payable and other liabilities, consist primarily of instruments without extended maturities, the fair value of which, based on management's estimates, approximated their carrying values. The carrying amount of long-term debt approximates fair value because those financial instruments generally bear interest at variable rates that approximate current market rates for debt with similar maturities and credit quality.

All the assets and liabilities of the company are not subject to the fair value hierarchy as these assets and liabilities are stated at fair value.

NOTE 3: PROPERTY AND EQUIPMENT

Property and Equipment at December 31, 2024, consists of the following:

Computers	$ 6,702
Furniture and Fixtures	12,765
Total	19,467
Less: Accumulated Depreciation	(7,077)
Net Property and Equipment	**$ 12,390**

NOTE 4: RELATED PARTY TRANSACTIONS

The Company borrowed $90,000.00 from a related entity at zero interest rate with no definite repayment. The Company rented office space from a related party on a monthly basis. For 2024 the company paid $84,000. to the related party.

NOTE 5: SUBSEQUENT EVENTS

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through January 31, 2025, the date the financial statements were available to be issued.

NOTE 6: IMPAIRMENT OF LONG-LIVED ASSETS

The Organization does not estimate any impairment loss on its assets that are held and used. The carrying value of its assets approximates fair market value.

NOTE 7: ASC 606

The Company has adopted Revenue from Contracts with Customers (codified as ASC 606), which, along with subsequent amendments replaced substantially all of the relevant U.S. GAAP revenue recognition guidance. ASC 606, as amended, is based on the principle that revenue is recognized to depict the contractual transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services utilizing a new five-step revenue recognition model, which steps include (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

Pursuant to FASB 2021-02 dated January 2021 (Franchisors-Revenue from Contracts with Customers (Subtopic 952-606) (Practical Expedient), A non-Public Business Entity franchisor may account for the following pre-opening services as distinct from the franchise license:

Assistance in the selection of a site.

Assistance in obtaining facilities and preparing the facilities for their intended use, including related financing, architectural, and engineering services, and lease negotiation.

Training of the franchisee's personnel or the franchisee.

Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping.

Bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes or about regulations affecting the franchisee's business.

Inspection, testing, and other quality control programs.

NOTE 7: ASC 606 (CONTINUED)

The Company has opted to account for these pre-opening services as distinct from the franchise license.

The Company receives an initial franchise fee from each franchise sale and recognizes revenue when all services under the franchise agreement are performed and the Practical Expedient. Continuing royalty fees based on gross revenues from operating franchises are billed one month in arrears. The Royalties receivable at December 31, 2023 was ($6,241) and at December 31, 2024 is $4,522. There have been no write offs of royalties receivable.

NOTE 8: SBA ECONOMIC INJURY DISASTER LOAN

In 2020 the Company also applied for an SBA Economic Injury Disaster Loan. The company was granted an EIDL loan in the amount of $59,900. at 3.75% interest over a term of thirty (30) years. The principal payments due on the loan are as follows:

2025	1,391.
2026	1,444.
2027	1,499.
2028	1,557.
2029	1,616.
2030	1,678.
Thereafter	46,445.
Total	**$ 55,630.**

There is also accrued interest in the amount of $5,252. since the inception of the loan. When added to the principal balance the total due on the SBA loan is $ 60,882.

NOTE 9: LEASE COMMITMENTS

In February 2016, FASB issued ASU 2016-02, Leases (Topic 842) and several amendments in order, to help increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing transactions. The standard, which is effective for fiscal years beginning after December 15, 2021, requires lessees to recognize assets and liabilities on the balance sheets for rights and obligations created by leases with terms of more than twelve months. Amortization for the lease asset is computed based on the straight-line method for financial statement reporting purposes.

NOTE 9: LEASE COMMITMENTS (Continued)

The Company has elected not to implement this standard since the lease is on a month to month basis. The Company leases the office space from a related party in the amount of $7,000. per month. The total amount paid for rent for the year ending December 31, 2024 is $84,000.

NOTE 10: Recently Adopted Accounting Guidance – Allowance for Credit Losses

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the company that are subject to the guidance in FASB ASC 326 are Royalties Receivable.

The Company adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new and enhanced disclosures only.

Royalties Receivable and Allowance for Credit Losses – Royalties Receivable is uncollateralized customer obligations which generally require payment within thirty days from the invoice date and are stated at the invoice amount. Accounts are placed on nonaccrual status when management determines that the balance will not be collected or the customer files for bankruptcy.

Royalties Receivable is recorded net of an allowance for credit losses. Account balances with invoices over 30 days old are considered delinquent. The allowance estimate is derived from a review of the Company's historical losses based on the aging of royalties receivable. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the company. The Company believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses because the Company's experience has remained relatively constant since the Company's inception. As of December 31, 2024, there was no allowance for credit losses.

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Independent Auditor's Acknowledgment

The Board of Directors
Hallmark Homecare, LLC

Edward A. Rose, Jr., CPA, PC consents to the use in the Franchise Disclosure Document dated April 1, 2024 issued by Hallmark Homecare, LLC ("Franchisor") of our report dated April 1, 2024, relating to the financial statements of Hallmark Homecare, LLC as of December 31, 2023 and for the year ended December 31, 2023.

Edward A. Rose, Jr., CPA, PC
League City, Texas 77573
April 1, 2024

HALLMARK HOMECARE LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2023

HALLMARK HOMECARE, LLC
DECEMBER 31, 2023
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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS
HALLMARK HOMECARE, LLC
INCLINE VILLAGE, NEVADA

Opinion

We have audited the accompanying financial statements of Hallmark Homecare, LLC (a Nevada Limited Liability Company), which comprise the balance sheet as of December 31, 2023, and the related statements of income, members' equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hallmark Homecare, LLC as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial 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 Hallmark Homecare, Inc's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

MEMBER: AMERICAN INSTITUTE OF CPAS, TEXAS SOCIETY OF CPAS, CALIFORNIA SOCIETY OF CPAS

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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial 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 Hallmark Homecare, 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 Hallmark Homecare, 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.

Edward A. Rose, Jr., CPA, PC
League City, Texas
April 1, 2024

HALLMARK HOMECARE, LLC
BALANCE SHEET
December 31, 2023

ASSETS	
CURRENT ASSETS:	
Cash and Cash Equivalents	$ 1,399,513
Royalties Receivable	(6,241)
Notes Receivable- Franchisees	46,611
Total Current Assets	1,439,883
PROPERTY AND EQUIPMENT AND INTANGIBLES	
Property and Equipment and Intangible Costs, Net	16,283
OTHER ASSETS	
Franchises Held for Sale	249,500
Total Assets	$ 1,705,666
LIABILITIES AND STOCKHOLDERS' EQUITY	
CURRENT LIABILITIES	
Accounts Payable	$ 130,539
Deposit on Territory	45,000
Note Payable- SBA Loan	1,340
Total Current Liabilities	176,879
LONG TERM DEBT	
Accrued Interest- SBA Loan	5,252
Note Payable- SBA Loan	54,364
Loan from Related Party	90,000
Total Long Term Liabilities	149,616
Members' Equity	
Members' Equity	1,379,171
Total Members' Equity	1,379,171
Total Liabilities and Members' Equity	$ 1,705,666

The accompanying notes are an integral part of these financial statements

HALLMARK HOMECARE, LLC
STATEMENT OF INCOME
For the Year Ended December 31, 2023

Revenues	
Sale of Franchises	$ 4,075,313
Royalties	183,850
National Marketing Fund	9,600
Client Services	13,524
Other	8,903
Total Revenues	4,291,190
Cost of Sales	3,370,449
Gross Profit	920,741
Operating Expenses	2,036,728
Net Income (Loss) from Operations	(1,115,987)
Income Tax Expense	0
Net Income (Loss)	$ (1,115,987)

The accompanying notes are an integral part of these financial statements

HALLMARK HOMECARE, LLC
STATEMENT OF MEMBERS' EQUITY
For the Year Ended December 31, 2023

Beginning Balance 1/1/23	$ -
Contributions	2,495,158
Net Loss	(1,115,987)
Ending Balance 12/31/23	$ 1,379,171

The accompanying notes are an integral part of these financial statements

HALLMARK HOMECARE, LLC
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2023

Cash Flows from Operating Activities:	
Net Loss	$ (1,115,987)
Adjustments	
Provided by (Used In) Operating Activities:	
Depreciation	3,194
(Increase) Decrease in Royalties Receivable	6,241
Increase in Notes Receivable- Franchises	(46,611)
Increase in Accounts Payable	130,539
Increase in Deposits on Territory	45,000
Net Cash Used by Operating Activities	$ (977,624)
Cash Flows From Investing Activities	
Purchase of Office Equipment	(18,670)
Increase in Franchises held for Sale	(199,500)
Net Cash Used by Investing Activities	$ (218,170)
Cash Flows From Financing Activities	
Payment of SBA loan	(1,266)
Contributions of Capital	2,506,573
Loan from Related Party	90,000
Net Cash Provided by Financing Activities	$ 2,595,307
Net Increase In Cash and Cash Equivalents	$ 1,399,513
Cash and Cash Equivalents, Beginning of Year	-
Cash and Cash Equivalents, End of Period	$ 1,399,513
SUPPLEMENTAL DISCLOSURES FOR STATEMENT OF CASH FLOWS	
Interest Paid	$ 1,664
Taxes Paid	None

The accompanying notes are an integral part of these financial statements

HALLMARK HOMECARE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: THE ORGANIZATION AND OPERATIONS

On October 31, 2011, Hallmark Homecare, Inc. (the "Company") was incorporated in the State of Nevada. The Company operating principally as a Direct Referral Agency and as a Franchisor ("Franchisees") of trademarked referral service business offering caregiver search, recruitment and placement services to the elderly and others. The Company's franchisees were trained in marketing, sales, and recruiting individuals who are experienced caregivers who provide professional and reliable services to clients. On April 1, 2023 the Company reorganized and changed its organizational structure to a Limited Liability Company organized in the State of Nevada operating principally as a Franchisor ("Franchisees") of Nevada Limited Liability Company with the objective of offering franchises.

Hallmark Homecare, Inc., funded the business operations into a newly established entity in exchange for a 51% Class A Interest, and granted 49% Class B Interest (carried interests), to certain key employees/consultants. The Class B Members receive allocations of profits/losses but do not receive distributions, other than tax distributions, until such time as the Class A Member receives back its capital contribution valued based on the appraisal. The Company's franchisees are trained in marketing, sales, and recruiting individuals who are experienced caregivers who provide professional and reliable services to clients.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash

Cash consists of demand deposits in FDIC insured financial institutions. At December 31, 2023, the Company did have cash balances in excess of the FDIC insurance limit of $250,000 in the amount of $1,149,513. For purposes of the Statement of Cash Flows the Company considers all highly liquid securities with an original maturity of three months or less to be cash equivalents.

Income Taxes

The Company as a Limited Liability Company does not incur income tax. The members of the Limited Liability Company are taxed on the Company's taxable income.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

The Company requires an initial franchise fee payment for new franchisees which is earned upon receipt. This fee includes initial training and support. The Company uses the accrual basis of accounting.

Marketing and Advertising

All costs incurred by the Company for marketing and advertising are expensed as incurred. Franchise promotions for the year ended December 31, 2023 was $121,782.

Use of Estimates

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

Fair Value Measurement

The Company has determined the fair value of current assets and liabilities through application of FASB ASC 820-10, Fair Value Measurements ("Fair Value Measurements"). Fair Value Measurements establish a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy under Fair Value Measurements are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active or financial instruments for which all significant inputs are observable, either directly or indirectly; and

Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

FAIR VALUE MEASUREMENT (CONTINUED)

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Short-term financial instruments, including cash, contracts receivable, accounts payable and other liabilities, consist primarily of instruments without extended maturities, the fair value of which, based on management's estimates, approximated their carrying values. The carrying amount of long-term debt approximates fair value because those financial instruments generally bear interest at variable rates that approximate current market rates for debt with similar maturities and credit quality. All assets and liabilities are considered level 1 inputs.

NOTE 3: PROPERTY AND EQUIPMENT

Property and Equipment at December 31, 2023, consists of the following:

Computers	$ 7,705
Furniture and Fixtures	12,765
Total	20,470
Less: Accumulated Depreciation	(4,187)
Net Property and Equipment	**$ 16,283**

NOTE 4: RELATED PARTY TRANSACTIONS

The Company borrowed $90,000.00 from a related entity. at zero interest rate with no definite repayment The Company rented office space from a related party for one year at a cost of $84,000.00.

NOTE 5: SUBSEQUENT EVENTS

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through April 1, 2024, the date the financial statements were available to be issued.

NOTE 6: IMPAIRMENT OF LONG-LIVED ASSETS

The Organization does not estimate any impairment loss on its assets that are held and used. The carrying value of its assets approximate fair market value.

NOTE 7: ASC 606

The Company has adopted Revenue from Contracts with Customers (codified as ASC 606), which, along with subsequent amendments replaced substantially all of the relevant U.S. GAAP revenue recognition guidance. ASC 606, as amended, is based on the principle that revenue is recognized to depict the contractual transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services utilizing a new five-step revenue recognition model, which steps include (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

Pursuant to FASB 2021-02 dated January 2021 (Franchisors-Revenue from Contracts with Customers (Subtopic 952-606) (Practical Expedient), A non-Public Business Entity franchisor may account for the following pre-opening services as distinct from the franchise license:

Assistance in the selection of a site.

Assistance in obtaining facilities and preparing the facilities for their intended use, including related financing, architectural, and engineering services, and lease negotiation.

Training of the franchisee's personnel or the franchisee.

Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping.

Bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes or about regulations affecting the franchisee's business.

Inspection, testing, and other quality control programs.

NOTE 7: ASC 606 (CONTINUED)

The Company has opted to account for these pre-opening services as distinct from the franchise license. The Company receives an initial franchise fee from each franchise sale and continuing royalty fees based on gross revenues from operating franchises. Initial franchise fees are recognized as revenue pursuant to ASC 606 and the Practical Expedient. Continuing royalty fees are considered earned when they become due from the franchisee.

NOTE 8: SBA ECONOMIC INJURY DISASTER LOAN

In 2020 the Company also applied for an SBA Economic Injury Disaster Loan. The company was granted an EIDL loan in the amount of $59,900. at 3.75% interest over a term of thirty (30) years. The principal payments due on the loan are as follows:

2024	1,340.
2025	1,391.
2026	1,444.
2027	1,499.
2028	1,557.
2029	1,616
Thereafter	46,857.
Total	**$ 55,704.**

There is also accrued interest in the amount of $5,252. since inception of the loan. When added to the principal balance the total due on the SBA loan is $ 60,956.

EXHIBIT C
TO THE FDD

FRANCHISE AGREEMENT

HALLMARK HOMECARE, LLC

FRANCHISE AGREEMENT

_____

FRANCHISEE

_____

DATE

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EXHIBITS

A – Franchisee-Specific Terms
B – Electronic Debit Authorization Form
C – Payment and Performance Guarantee

HALLMARK HOMECARE, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "**Agreement**") is made this _____ day of _____, 2026 (the "**Agreement Date**") by and between **HALLMARK HOMECARE, LLC.**, a Nevada limited liability company ("**we**," "**us**," or "**our**") whose corporate address is 774 Mays Blvd. Suite 10-297, Incline Village, Nevada 89451, and _____, ("**you**" or "**your**") whose principal address is _____.

R E C I T A L S:

A. We have expended considerable time, money and effort to develop a system for the development and operation of service businesses offering caregiver search, recruitment, and placement services to the elderly and others (the "**Services**"). These businesses operate under the Hallmark Homecare® mark using mandatory and suggested policies, methods, procedures, standards, specifications, rules, and requirements for business operations (**"System Standards"**), copyrighted materials, including our confidential training materials (the **"Training Materials**"), and other forms of confidential information and other information, knowledge, policies and practices, all of which may be improved, expanded, further developed or otherwise modified from time to time (the "**System**").

B. We or our affiliates own the rights to, interest in and goodwill of, and use, promote and license, certain proprietary trademarks, service marks, trade names, logotypes and other commercial symbols, including the service mark "Hallmark Homecare" and associated logo (as we may periodically modify them, collectively, the "**Marks**").

C. We require you to be a corporation, partnership, limited liability company or other business entity (an "**Entity**"). We refer to your owners, shareholders, partners, members, or other owners of an interest in your Entity as "**Owners**" in this Agreement. The individual owner who you must appoint to have authority over all business decisions related to your business and to have the power to bind you in all dealings with us will be referred to as your **"Principal Owner**."

D. You desire to open and operate a Hallmark Homecare® business using the Marks and the System (a **"Hallmark Business"**), and we are willing to grant to you a license to open and operate a franchised Hallmark Business (a "**Franchised Business**") on the terms and conditions of this Agreement.

1. GRANT AND RENEWAL OF FRANCHISE

1.1 Grant of Franchise. We grant to you, and you hereby accept, a franchise (the "**Franchise**") to own and operate a Franchised Business using the Marks and the System in the Protected Territory (as defined in Section 2 (Protected Territory)) for a term of ten years beginning on the Agreement Date (the "**Term**"), unless sooner terminated according to the terms of this Agreement. Termination or expiration of this Agreement constitutes termination or expiration of the Franchise.

1.2 Best Efforts. We will use our best efforts to support you in your role as a franchisee, and you must continuously exert your best efforts to operate and enhance the business of your Franchised Business. You must at all times faithfully, honestly and diligently perform your obligations under this Agreement throughout the Term.

1.3 Renewal. If you comply with this Section 1.3, you may, upon expiration of the Term, renew the Franchise for an additional ten-year term (the "**Renewal Term**"). In order to enter into a Renewal Term, (i) you must notify us at least 90 days, but no more than 12 months, prior to the expiration of the Term of your intention to renew; (ii) you must have substantially complied with the terms and conditions of this Agreement throughout the Term and be fully compliant with the terms of the Agreement as of the expiration of the Term; (iii) you and your Owners must sign our then-current form of franchise agreement and any related agreements, including a personal guarantee (if applicable); and (iv) you and your Owners must execute our then-current form of general release. You will not be required to pay a renewal fee or initial franchise fee.

2. PROTECTED TERRITORY AND MINIMUM SALES

2.1 Grant of Protected Territory. You are granted a protected territory which is determined based on mutual agreement between you and us and the estimated number of senior citizens living within a geographic area that we designate (your "**Protected Territory**"). The specific boundaries of your Protected Territory are described in Exhibit A. Because some areas are more densely populated than others, you acknowledge that the protected territories of other Hallmark Businesses may encompass a greater or smaller geographic area than your Protected Territory.

2.2 Limited Protected Rights. Except as otherwise provided in this Agreement, during the Term, we will not, directly or through any affiliates: (i) operate or grant the right to operate a Hallmark Business office to be physically located within your Protected Territory; or (ii) authorize any other Hallmark Business to market Services to client referral sources or prospective clients within your Protected Territory or to provide Services to individuals at locations within your Protected Territory. However, we will not be in default under this Agreement or otherwise liable to you if another franchisee breaches its Franchise Agreement and markets or provides Services to client referral sources, prospective clients, or other individuals within your Protected Territory, provided that we did not have advance knowledge of the breach and did not authorize the breach.

2.3 Reserved Rights. Except for as provided in Section 2.2 (Limited Protected Rights), we and our affiliates have the right to conduct any business activities, under any name, using any system, in any geographic area, and at any location, regardless of the proximity to or effect on your Franchised Business. For example, without limitation, we and our affiliates have the right to:

(a) establish, or license others to establish, (i) Hallmark Businesses anywhere outside of the Protected Territory and (ii) businesses under marks other than the Marks inside or outside the Protected Territory;

(b) advertise, or authorize others to advertise, using the Marks anywhere, including via the Internet or inside and outside of the Protected Territory;

(c) market to, or permit others to market to, potential caregivers located inside or outside the Protected Territory; and

(d) acquire, be acquired by, or merge with other companies with existing home care businesses anywhere (whether inside or outside of the Protected Territory) and, even if such businesses are located in the Protected Territory and offering competing products or services, (i) convert the other businesses to the Hallmark Homecare® name, (ii) permit the other businesses to continue to operate under another name, and/or (iii) permit the businesses to operate under another name and convert existing Franchised Businesses to such other name.

2.4 Minimum Sales Requirement.

(a) Requirement. In order to maintain the rights to the Protected Territories, (a) you must use your best efforts to maximize clients, client referral sources, and Gross Sales (as defined in Section 5.2 (Gross Sales)) in each of the Protected Territories and (b) the Gross Sales of your Franchised Business must exceed the minimum Gross Sales requirement (the "**Minimum Sales Requirement**") in each calendar quarter. Beginning twelve (12) months from the Agreement Date and continuing through the end of the 23rd month from the Agreement Date, the Minimum Sales Requirement for each calendar quarter will be equal to $125,000 multiplied by the number of Protected Territories that you have purchased, not to exceed two (2) if you have purchased more than one (1) territory. After 24 months from the Agreement Date and continuing throughout the remainder of the Term, the Minimum Sales Requirement for each calendar quarter will be equal to $250,000 multiplied by the number of Protected Territories that you have purchased, not to exceed three (3).

(b) Remedies. If you fail to achieve the Minimum Sales Requirement in any calendar quarter, you must develop and implement a business plan that we approve to increase Gross Sales in subsequent quarters. If you fail to achieve the Minimum Sales Requirement in three consecutive calendar quarters, such failure shall be a material default under this Agreement.

2.5 Restrictions on Office Location. You may not establish an office for your Franchised Business at any location outside your Protected Territory.

2.6 Restrictions on Marketing. Your area of primary responsibility will be your Protected Territory. You shall not solicit clients or market the Services to potential clients or referral sources located outside your Protected Territory. All media advertising and direct mail marketing that you undertake must be predominantly focused on media distributed in, or to prospective clients and client referral sources located in, your Protected Territory.

2.7 Restrictions on Providing Services and Leads.

(a) Restriction. You may not provide Services to clients at any location outside your Protected Territory without our written consent, which we may withhold in our sole discretion.

(b) Referral of Leads. If you receive or generate leads for clients or client referral sources located outside your Protected Territory, you must refer those leads to us, and we will refer the lead to the franchisee who is assigned to operate in and service that territory or area, or others we designate. You will not receive any compensation for a referral that is serviced by another franchisee in that territory. If we do not have a

franchisee in that area, we may, in our sole discretion, (a) authorize you in writing to provide the Services to such clients.

(c) Revocation of Rights. If we authorize you to market or provide Services to clients or client referral sources outside of your Protected Territory, we may revoke our consent at any time for any reason, and you must immediately cease marketing and providing Services to such clients and client referral sources in accordance with our instructions. We or our designee may immediately begin marketing and providing the Services to such clients or client referral sources without compensation to you. If we determine you are servicing a material number of clients in an unassigned territory, we may require you to purchase the rights to the territory in order to continue to provide the Services in it, but we are not obligated to offer you the opportunity to purchase such rights and may instead offer such rights to any party.

2.8 Cross-Territorial Policies. We may specify additional or alternative policies regarding providing cross-territorial Services and marketing outside of the Protected Territory.

3. LOCATIONS AND OPENING

3.1 Locations. You must operate the Franchised Business only from a location or locations within the Protected Territory (which may be your home or an outside office), and you must notify us of the address of each location. You represent and covenant that each location is suitable and adequate for operating the Franchised Business and that you will maintain each location in a condition suitable and adequate for operating the Franchised Business throughout the Term. You may not open another office or operate from an additional location outside the Protected Territory without acquiring another franchise from us or obtaining our written consent.

3.2 Opening Requirement. You may not begin operating your Franchised Business and marketing Services until: (a) your Principal Owner has completed our Level 1 and Level 2 Training Programs (as defined in Section 7.2(a) (Our Training Programs)) to our satisfaction; and (b) you provide us evidence of insurance coverage for the Franchised Business. You must begin operating your Franchised Business and marketing Services no later than 90 days following the Agreement Date. If you fail to do so, we may, in our sole discretion, extend the term or terminate this Agreement.

4. INITIAL FRANCHISE FEE

You must pay us the franchise fee that is specified on Exhibit A (the "**Franchise Fee**") at the time you sign this Agreement in a lump sum. The amount of your Franchise Fee specified on Exhibit A will be determined by the number of Protected Territories you acquire. The Franchise Fee is fully earned by us when paid and is not refundable under any circumstances.

5. FEES

5.1 Royalty Fee. Beginning three (3) months after the Agreement Date, you must pay us a monthly royalty fee equal to the greater of (i) 6% of the Franchised Business' Gross Sales (defined in Section 5.2 (Gross Sales)) or (ii) $500 per month (the "Royalty Fee"). Since the royalty is due and payable the 15th of each month based on gross sales in the preceding month, your first payment isn't payable until the 15th day of the fifth (5th) after the Agreement Date (see Section 5.4 below). Beginning six (6) months after the Agreement Date, if you purchased two (2) or more Protected Territories you must pay us a monthly royalty fee equal to the greater of (i)

6% of the Franchised Business Gross Sales or (ii) $1,000 per month. Beginning nine (9) months after the Agreement Date, if you purchased three (3) or more Protected Territories you must pay us a monthly royalty fee equal to the greater of (i) 6% of the Franchised Business Gross Sales or (ii) $1,500 per month. The Royalty Fee is non-refundable and is paid in consideration of the ongoing right to use the Marks and the System in accordance with this Agreement and not in exchange for services rendered by us.

5.2 Gross Sales. As used in this Agreement, the term "**Gross Sales**" means all revenue that you receive or otherwise derive from the operation of the Franchised Business, whether or not collected, including (a) revenue billed or invoiced by you to clients, (b) any Placement Commissions (as defined in Section 7.6(a) (Client Referrals) that you receive from us, or (c) any other revenue you receive from any party for products or services sold or provided in connection with the Franchised Business. Gross Sales does not include any sales or other taxes that you collect from clients and pay directly to the appropriate taxing authority. You may not deduct payment provider fees (i.e., bank or credit card company fees) from your Gross Sales calculation.

5.3 Marketing Fee. Beginning three (3) months after the Agreement Date, you must pay us a monthly national marketing fee (the "**Marketing Fee**") equal to the greater of (a) 1% of the total amount of the Franchised Business' monthly Gross Sales or (b) $150 per month for each Protected Territory purchased. Since the marketing fee is due and payable the 15th of each month based on gross sales in the preceding month, your first payment isn't payable until the 15th day of the fifth (5th) after the Agreement Date The Marketing Fee is non-refundable and shall be in addition to, and not in lieu of, your expenditures for any local advertising and/or payments to any third party. We will contribute the Marketing Fee to the Marketing Fund (as defined in Section 6.2 (Marketing Fund)).

5.4 Method of Payment and Due Date. Your Royalty Fees and Marketing Fees (the "**Operating Fees**") are due to us and must be reported to us at the times and in the manner that we specify from time to time in the Training materials or otherwise. Currently, you must pay us your Operating Fees on the 15th of each month based on your Gross Sales for the preceding month. You must make all payments due to us (including Operating Fees and other fees) by the method or methods that we specify from time to time in the Training materials, or otherwise in writing, which may include payment via wire transfer or electronic debit to your bank account (in which case you must furnish us and your bank with all authorizations necessary to effect payment by the methods we specify (our current authorization form is attached as Exhibit B) and must maintain adequate funds in your bank account). You may not, under any circumstances, set off, deduct or otherwise withhold any fees, interest charges, or any other monies payable under this Agreement on grounds of our alleged non-performance of any obligations or for any other reason.

5.5 Interest. All amounts which you owe us will bear interest 30 days after the invoice date at the rate of 1.5% per month or the highest commercial contract rate of interest permitted by law, whichever is less. You acknowledge that this Subsection does not constitute our agreement to extend credit to or otherwise finance your operation of your Franchised Business. Your failure to pay us all amounts when due constitutes grounds for termination of this Agreement, notwithstanding the provisions of this Subsection.

6. MARKETING.

6.1 Acknowledgement. You acknowledge and recognize the value of the Hallmark Homecare® brand and Marks, the need to develop, enhance, and promote the Marks, and the need to advertise and market the Marks and Hallmark Businesses in each Protected Territory that has been granted to you. You also acknowledge and recognize the importance of the standardization of advertising programs to the furtherance of the goodwill and public image of the Marks and Hallmark Businesses. Therefore, you agree to (i) contribute to the Marketing Fund pursuant to Section 5.3 (Marketing Fee) and (ii) make local advertising and marketing expenditures, if required.

6.2 Marketing Fund.

(a) Use of Marketing Fund. We have established a National Marketing Fund (the "**Marketing Fund**") for the enhancement and protection of the Marks, and for the development and implementation of advertising, marketing, public relations, and other brand-related programs and materials as we periodically deem appropriate. We have sole discretion to use the Marketing Fund, and monies in the Marketing Fund, for any purpose that we designate that we believe will enhance and protect, or improve public recognition and perception of, the Marks and Hallmark Homecare Businesses, including advertising campaigns in various media; Digital Marketing (as defined in Section 6.4 (Digital Marketing)); direct mail advertising; market research; engaging advertising agencies; conducting promotions, contests, and events; organizing or funding charitable activities; and providing promotional and marketing materials and services to our franchisees. We will not use the Marketing Fund for anything whose sole purpose is the marketing of franchises, however, you acknowledge that our website, public relations activities, community involvement activities, and other activities supported by the Marketing Fund may contain information about franchising opportunities. We will not use any contributions to the Marketing Fund to defray our general operating expenses, except for reasonable administrative costs and overhead we incur in activities reasonably related to the administration of the Marketing Fund or the management of Marketing Fund-supported programs (including the pro-rata amount of salaries of our personnel who devote time to Marketing Fund activities and retainers and fees for outside agencies). We may use monies in the Marketing Fund to pay for an independent audit of the Marketing Fund, if we elect to have it audited.

(b) Control Over Marketing Fund. We will direct all programs that the Marketing Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. We do not guarantee that you will benefit from the Marketing Fund in proportion to your contributions to the Marketing Fund. In no event will we be deemed a fiduciary with respect to any Marketing Fees we receive or administer.

(c) Fund Management. We will maintain the Marketing Fund in a separate bank account from our other accounts. We are not required to have an independent audit of the Marketing Fund completed. Any interest earned by the Marketing Fund will belong to the Marketing Fund. Upon your request, we will make available to you no later than 120 days after our year end, an unaudited financial statement for the Marketing Fund for the previous calendar year. If any monies in the Marketing Fund remain at the end of a fiscal year, they will carry-over in the Marketing Fund into the next fiscal year. We or one of our affiliates may make or otherwise arrange loans to the Marketing Fund in any year in which the balance of the Marketing Fund is negative and charge a reasonable rate of interest. The amounts loaned to the Marketing Fund will be repaid from future contributions to the Marketing Fund in the year the loan is made or in subsequent years.

(d) Other Contributions. If we or our affiliates operate any Hallmark Businesses, we or our affiliates will contribute to the Marketing Fund a percentage of the Gross Sales of those businesses on the same basis as required for franchisees. You acknowledge that our other franchisees may not be required to contribute to the Marketing Fund, may be required to contribute to the Marketing Fund at a different rate than you, or may be required to contribute to a different Marketing Fund.

(e) Dissolution or Modification. We reserve the right to dissolve or modify the Marketing Fund at any time. The Marketing Fund, however, shall not be terminated or dissolved until all monies held in the Marketing Fund have been expended for the purposes described in this Agreement.

6.3 Your Marketing. You must conduct all advertising and promotional activities for the Franchised Business according to our requirements as reflected in the Training materials or our written or oral instructions to you. Before you use them, you must submit to us for our approval samples of all advertising, marketing, and promotional materials (other than materials we have prepared or previously approved), including brochure copy and promotions activities and any information on a website (or any change in information on an approved website). You may not use any materials or conduct any promotion that we have not approved.

6.4 Digital Marketing. We or our affiliates may, in our sole discretion, establish and operate websites, social media accounts (such as Facebook, Twitter, Instagram, Pinterest, etc.), blogs, applications, keyword or adword purchasing programs, accounts with websites featuring discounts (such as Groupon, Living Social, etc.), mobile applications, or other means of digital advertising on the Internet or any electronic communications network (collectively, "**Digital Marketing**") that are intended to promote the Marks, your Franchised Business, and the entire network of Franchised Businesses. We will have the sole right to control all aspects of any Digital Marketing, including those related to your Franchised Business. Currently, we do not permit you to operate a website or social media accounts for your Franchised Business without our approval, which will not be unreasonably withheld. Unless we consent otherwise in writing, you and your employees may not, directly or indirectly, conduct or be involved in any Digital Marketing that uses the Marks or that relate to your Franchised Business or the network. If we permit you or your employees to conduct any Digital Marketing, you and they must comply with our System Standards, and we will have the right to retain full control over and ownership of all websites, social media accounts, mobile applications or other means of digital advertising that we have permitted you to use. We may withdraw our approval for any Digital Marketing or suspend or terminate your use of any Digital Marketing platforms at any time.

7. OBLIGATIONS OF FRANCHISOR

7.1 Training Materials. We will provide you with access to our proprietary training content online. You understand and agree that the Training Materials contain our confidential information, and you must not at any time copy or download any part of the Materials or disclose it to any third party without our written consent.

7.2 Training Programs.

(a) Our Training Programs. We will provide you with (i) an online self-paced and peer remote training program that is focused on learning the key elements of operating a Franchised Business (the "**Level 1 Training Program**") and (ii) a live classroom workshop that is focused on learning to provide the services and operate the Franchised Business ("the **Level 2**

Training Program").Your Principal Owner must successfully complete to our satisfaction both the Level 1 Training Program and the Level 2 Training Program. In addition, we will assign a coach to provide you with additional assistance that we, in our sole discretion, deem appropriate.

(b) Level 1 Training Program. The Level 1 Training Program will begin after the Agreement Date and must be completed within 45 days after the Agreement Date. The Level 1 Training Program consists of completing pre-training business set up, self-paced training and required weekly conference calls leading up to Level 2 training.

(c) Level 2 Training Program. The Level 2 Training Program will begin on a date designated by us after you have completed the Level 1 Training Program to our satisfaction and must be completed within 90 days after the Agreement Date. The Level 2 Training Program consists of in-person training conducted by our staff at a location that we designate (typically at our office) at a time we designate. We may, in our sole discretion, provide the training virtually or modify the length of the training program.

(d) Training Expenses. There is no fee for our Level 1 Training Program. There is no fee for our Level 2 Training Program for your Principal Owner and one additional person who will be operating the business to attend at one time. We reserve the right to charge a training fee of up to $1,500 per trainee that attends our Level 2 Training Program, including (i) each additional person attending the same initial session, (ii) each person who is repeating the course or replacing a person who did not pass, and (iii) each subsequent trainee who attends the course. We may increase the training fee upon 60 days' written notice to you. You are responsible for any travel and living expenses (including meals, transportation, and accommodations), wages, and other expenses incurred by you or your trainees.

7.3 Supplemental Training and Meetings. We may require your Principal Owner or your manager to attend and complete satisfactorily various additional training courses that we periodically choose to provide at the times and locations that we designate, as well as periodic conventions, regional meetings, and conferences that we specify. We may charge reasonable registration or similar fees for these courses, conventions, meetings, and conferences. If we designate attendance at these courses, conventions, meetings or conferences as mandatory, we reserve the right to charge you the registration, attendance or similar fees even if you do not attend. You are responsible for any wages and travel and other expenses incurred by you or your representatives.

7.4 Pre-Launch Assistance. We will provide, at such times and in such methods and manners as we determine, the following guidance and assistance to you and your Franchised Business prior to you beginning to operate your Franchised Business:

(a) Provide you with our Level 1 and Level 2 Training Program;

(b) Provide insight on any equipment, supplies and software needed or recommended to operate your business;

(c) Provide you with an "@hallmarkhomecare.com" email address, which you must use for all electronic communications conducted in conjunction with your Franchised Business;

(d) Provide you with login credentials for the Hallmark Homecare Resource Portal, where you will access training materials and other resources, and order customizable marketing and promotional supplies; and

(e) Give you general assistance in the opening of your Franchised Business, including helping you plan pre-opening promotional programs.

(f) Provide you with a Hallmark Homecare website landing page and territory identification label to use for your marketing materials.

7.5 Post-Launch Assistance. We will provide, at such times and in such methods and manners as we determine, the following guidance and assistance to you and your Franchised Business during the Term:

(a) We will continue to furnish you with any and all updates of our training materials that we may, in our sole discretion, develop in the future;

(b) To the extent we deem it necessary or advisable, give you individual and group guidance and assistance by telephone, newsletters, brochures, reports or bulletins, or electronic communications or postings;

(c) Allow you to participate in programs that may be developed and offered by us on a system-wide basis to our franchisees;

(d) As we deem appropriate, test new services, equipment, or technologies, and, if they meet our standards and specifications, make them available to you;

(e) Provide coaching to support you on an ongoing basis to the extent we deem appropriate and for a duration that we specify with both the client lead generation and the caregiver recruitment aspects of your Franchised Business;

(f) Provide to you a reasonable amount that we specify of support via telephone and email correspondence during normal business hours, including reasonable continuing guidance and advice in operating your Franchised Business; and

(g) Provide you electronically with templates for business cards and marketing materials that we may develop periodically, which you may duplicate at your expense. We may, from time to time, make packages of brochures and other promotional materials available for you to purchase.

7.6 Client and Caregiver Services. If you refer a client to us outside of your Protected Territory, we or our designee may, in our sole discretion, perform the Client Liaison Services and Caregiver Fulfillment Services with respect to such client.

(a) Client Liaison Services. The "**Client Liaison Services**" include (i) after receiving a client referral, using best efforts in a reasonable timeframe to make contact with the client and/or responsible party, (ii) conducting a thorough telephonic interview of the client's care needs, (iii) attempting to "close" on the sale of Services to the client, (iv) securing all required legal agreements with the client and/or responsible party, (v) arranging for caregiver interviews with the client and/or responsible party, (vi) using best efforts to fill the placement requirements by

providing the Caregiver Fulfillment Services, including (vii) invoicing and collecting the appropriate placement fees.

(b) Caregiver Fulfillment Services. The "**Caregiver Fulfillment Services**" include (i) using best efforts to search for and recruit qualified caregivers to be placed with client referrals in a timely manner, (ii) vetting the potential caregivers in accordance with our then-current standards, including by acquiring a copy of their driver's license and evidence of insurance (if any), verifying their credentials, performing background checks through our approved or designated suppliers, and verifying their professional and personal references, and (iii) securing all required legal agreements with the caregivers.

8. OBLIGATIONS AND DUTIES OF FRANCHISEE

8.1 Compliance Requirements.

(a) Compliance with System Standards. You must comply with and abide by each required System Standard contained in the Training Materials, as they may be amended, modified, or supplemented periodically and such other written or electronically transmitted System Standards that we may issue periodically. You acknowledge that we may amend, modify, or supplement the Training Materials at any time, so long as such amendments, modifications, or supplements will, in our good faith opinion, benefit us and our existing and future franchisees or will otherwise improve the System. You must comply with revised mandatory System Standards within 30 days after we transmit the updates, unless otherwise specified.

(b) Compliance with Applicable Laws. You must comply with all applicable federal, state, and local laws, rules, regulations, and ordinances in your Protected Territory ("**Applicable Laws**"). You must obtain and maintain in good standing any and all licenses, permits, certificates, bonds, and consents necessary for you to operate the Franchised Business. You have sole responsibility for such compliance despite any information or advice that we may provide.

(c) Compliance with Good Business Practices. You must in all dealings with your clients, prospective clients, suppliers, us and the public adhere to the highest standards of honesty, integrity, fair dealing, and ethical conduct. You agree to refrain from any business or advertising practice which might injure our business or the goodwill associated with the Marks or other Hallmark Businesses.

8.2 Operations.

(a) Level 2 Operations. You must successfully complete the Level 2 Training Program to our satisfaction within three months after the Agreement Date. After successfully completing the Level 2 Training Program, your Franchised Business must begin the next stage of operations ("**Level 2 Operations**"). During Level 2 Operations, you must (i) conduct ongoing sales and marketing efforts to generate client referral sources and clients and (ii) provide the Client Liaison Services and Caregiver Fulfillment Services for clients that you identify or that are referred to you. You are solely responsible for securing clients and providing the Services to such clients and acknowledge that we have no obligation to generate client leads or provide Services to your clients.

(b) Products and Services You May Offer. You may offer in the Franchised Business to clients only the products and services that we have approved in writing. In addition,

we may designate specific products and services as optional or mandatory. You must offer the products and services that we designate as mandatory, which will become part of the Services. We may change these specifications periodically in the Training Materials or otherwise in writing. If you would like to offer other products and services, you must obtain our written approval for such products or services, which we may withhold for any reason in our sole discretion.

8.3 Payment of Obligations. You agree to pay all current obligations and liabilities to suppliers, lessors, and creditors (including us or our affiliates) on a timely basis. You further agree to make prompt payment of all federal, state and local taxes, including individual and corporate taxes, sales and use taxes, franchise taxes, gross receipts taxes, employee withholding taxes, FICA taxes, personal property and real estate taxes, and any other taxes arising from your operation of the Franchised Business**.**

8.4 Use of Intellectual Property.

(a) Ownership of Intellectual Property. You acknowledge that we or our affiliates own all rights and interests in and to (i) the Marks (including the brand name and logo) licensed to you under this Agreement and any associated goodwill, (ii) any and all present or future copyrights relating to the System or the Hallmark Homecare concept, including the Training Materials and marketing materials (the "**Copyrights**"), and (iii) any trade secrets, methods, or procedures that are part of the System (collectively, with the Marks and the Copyrights, the **"Intellectual Property"**). During the Term and after the expiration or termination of this Agreement, you agree not to directly or indirectly contest our or our affiliates' ownership, title, right or interest in or to, or our license to use, or the validity of, the Intellectual Property.

(b) Use of Intellectual Property. Your right to use the Intellectual Property is derived solely from this Agreement. You must obtain our written approval before using any promotional packages or other material relating to your Franchised Business which contain any copyrighted material. Any unauthorized use of the Intellectual Property by you will constitute an infringement of our rights in and to the Intellectual Property. Upon the expiration or termination of this Agreement, no monetary amount will be attributable to goodwill associated with your activities as a franchisee under this Agreement.

(c) Limitations on Your Use of Marks. You agree to use the Marks as the sole identification of your Franchised Business, provided that you must identify yourself as the independent owner of your Franchised Business in the manner we prescribe. You may not use any Mark (i) as part of any corporate or legal business name, (ii) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than those we license to you), (iii) in any modified form, (iv) as part of an Internet domain name, electronic address or otherwise in connection with a website without our approval, (v) in connection with the sale of any unauthorized product or service, or (vi) in any other manner that we do not expressly authorize in writing. You agree to prominently display the Marks in the manner we prescribe in your approved advertising and marketing materials and on stationery, posters, displays, and other forms or materials we designate.

(d) Notification of Infringements and Claims. You must immediately notify us of any apparent infringement of or challenge to your use of any Intellectual Property. We will have sole discretion to take such action as we deem appropriate (including no action). We will have the right to control any administrative proceeding or litigation related to the Intellectual Property. You must execute all documents and, render any other assistance we may

deem necessary to any such proceeding or any effort to maintain the continued validity and enforceability of the Intellectual Property.

(e) Changes to the Intellectual Property. We have the right, upon reasonable notice, to change, discontinue, or substitute for any of the Intellectual Property and to adopt entirely different or new Intellectual Property for use with the System without any liability to you, in our sole discretion. You must implement any such change at your own expense within the time we reasonably specify.

(f) Innovations. All ideas, concepts, techniques or materials relating to a Franchised Business or the System (collectively, **"Innovations"**), whether or not protectable intellectual property and whether created by or for you or your Owners, employees, or contractors, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System and the Intellectual Property, and works made-for-hire for us. To the extent any Innovation does not qualify as a work made-for-hire for us, by this Section you assign ownership of that Innovation, and all related rights to that Innovation, to us and agree to sign (and to cause your Owners, employees, and contractors to sign) whatever assignment or other documents we request to evidence our ownership or to help us obtain intellectual property rights in the Innovation. We and our affiliates have no obligation to make any payments to you or any other person with respect to any Innovations. You may not use any Innovation in operating the Franchised Business or otherwise without our prior approval.

8.5 Computer System. We may require you to purchase or license the technology programs, platforms, or applications, including hardware, software, network and phone connections, and cloud services (the "**Computer System**") that (i) meet specifications that we establish from time to time; (ii) are a specific brand or product; (iii) must be purchased or licensed only from suppliers or service providers that we have expressly approved; and/or (iv) must be purchased or licensed only from a single source that we designate (which may include us or our affiliates). You must own a computer that is capable of accessing the Internet and using the software we designate, but we do not provide any specifications for such hardware.

8.6 Insurance. Before beginning Operations, you must obtain, in such amounts and (if we require) from such carriers that we approve, the minimum insurance coverage that we specify from time to time in the Training Materials or otherwise in writing, including general and professional liability and workers' compensation or occupational accident insurance and other coverage as applicable law requires covering the operation of your Franchised Business. You must submit certificates evidencing your coverage prior to opening the Franchised Business and maintain the insurance coverage that we require throughout the Term. All insurance policies must name us as an additional insured and provide us with 30 days' prior written notice of a policy's material modification, cancellation, or expiration. We may periodically increase the amounts of coverage required and/or require different or additional insurance coverages (including reasonable excess liability insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, and other relevant changes in circumstances. You must submit to us annually a copy of the certificate of insurance or evidence of the renewal or extension of each insurance policy or any modifications to any insurance policies showing us as additional insured.

8.7 Operation as an Entity.

(a) Owners. You must maintain a current list of all of your Owners and shall furnish the list to us upon request, together with the addresses and telephone numbers of each

such Owner. You must designate an Owner with at least 10% ownership interest in your Entity as your Principal Owner. The Principal Owner must have authority over all business decisions related to your Franchised Business and must have the power to bind you in all dealings with us, but the Principal Owner is not required to be directly involved in the day-to-day operation and management of the Franchised Business, if you have appointed a trained manager to do so. Your initial Principal Owner shall be designated on Exhibit A, and you may not change your Principal Owner without our prior written approval. You represent that the individuals listed as Owners on Exhibit A are your sole Owners as of the Agreement Date.

(b) Guarantee. As a condition to us entering into this Agreement, and from time to time during the Term as we may require, you must cause each Owner to jointly and severally guarantee your performance under this Agreement and bind themselves to the terms of this Agreement by executing and delivering our then-current form of guarantee, which shall be substantially in the form of the Payment and Performance Guarantee that is attached in Exhibit C. Further, a violation of any of the provisions of this Agreement by any Owner will also constitute a violation by you of your obligations under this Agreement.

(c) Governance. Upon our request, you agree to furnish us with copies of your governing documents and any other corporate documents, books, or records, including certificates of good standing from your state. Your Owners may not enter into any shareholders' agreement, management or operating agreement, voting trust, or other arrangement that gives a third-party the power to direct and control your affairs without our prior written consent.

9. INDEMNIFICATION

9.1 Indemnification By You. You agree to indemnify, defend, and hold harmless us, our affiliates, and our and their respective owners, directors, officers, employees, agents, representatives, successors, and assignees (the "**Indemnified Parties**") against, and to reimburse any one or more of the Indemnified Parties for, all Losses (defined below) directly or indirectly arising out of or relating to: (i) the Franchised Business' operation; (ii) the business you conduct under this Agreement; (iii) your breach of this Agreement; or (iv) your noncompliance or alleged noncompliance with any law, ordinance, rule or regulation, including your failure to pay taxes or any allegation that we or another Indemnified Party is a joint employer or otherwise responsible for your acts or omissions relating to your employees. "**Losses**" means any and all losses, expenses, obligations, liabilities, damages (actual, consequential, or otherwise), and reasonable defense costs that an Indemnified Party incurs, including accountants', arbitrators', mediators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced.

9.2 Indemnification Procedure. You agree to defend each of the Indemnified Parties against any and all claims asserted or inquiries made (formally or informally), or legal actions, investigations, or other proceedings brought, by a third party and directly or indirectly arising out of or relating to any matter described in Subsection 9.1(i) through (iv) above (collectively, "**Proceedings**"), including those alleging the Indemnified Party's negligence, gross negligence, willful misconduct, and/or willful wrongful omissions. Each Indemnified Party may, at your expense, defend and otherwise respond to and address any claim asserted, inquiry made, or Proceeding brought that is subject to this Section 9 (instead of having you defend it as required above). Each Indemnified Party may agree to settlements or take any other remedial, corrective, or other actions that it deems appropriate, and you shall be solely responsible for all related

Losses, subject to Section 9.3. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its Losses, in order to maintain and recover fully a claim against you. You agree that a failure to pursue a recovery or mitigate a Loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this Section 9. Your obligations in this Section 9 will survive the expiration or termination of this Agreement.

9.3 Willful Misconduct or Gross Negligence. Despite Section 9.1 (Indemnification by You), you have no obligation to indemnify or hold harmless an Indemnified Party for, and we will reimburse you for, any Losses (including costs of defending any Proceeding under Section 9.2 (Indemnification Procedure)) to the extent they are determined in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction to have been caused solely and directly by the Indemnified Party's willful misconduct or gross negligence, so long as the claim to which those Losses relate is not asserted on the basis of theories of vicarious liability (including agency, apparent agency, or employment) or our failure to compel you to comply with this Agreement. However, nothing in this Section 9.3 limits your obligation to defend us and the other Indemnified Parties under Section 9.2.

10. RECORDS, REPORTS AND FINANCIAL STATEMENTS.

10.1 Recordkeeping and Accounting. You agree to establish and maintain at your own expense a QuickBooks Online software system for bookkeeping, accounting, and recordkeeping, conforming to the requirements and formats we prescribe from time to time. After the initial training period is concluded, we reserve the right to require that you hire and utilize a bookkeeping and/or accounting service that we designate or approve. We may require you to use additional software systems to maintain certain sales data, financial data, and other information. You must comply with our requirements regarding inputting of data, preparing reports, and transmitting data and reports to us, using the software in the manner and at such times as we specify.

10.2 Required Reports. You agree to prepare and provide to us, in the manner and format that we prescribe from time to time (Which may include access to your QuickBooks Online and other software systems to enable us to obtain the following reports and/or submitting signed and verified reports):

(a) a report on the Franchised Business's Gross Sales as provided in Section 5.2 (Gross Sales), and a monthly operating report and/or income statement with business and operating statistics of the type and in the form and manner that we specify;

(b) monthly and quarterly profit and loss statements and a balance sheet for the Franchised Business as of the end of the prior calendar month and quarter;

(c) within 90 days after the end of each calendar year, the operating statements, financial statements, statistical reports, and other information we request regarding you and the Franchised Business covering the previous calendar year; and

(d) within 10 days after our request, exact copies of federal and state income tax returns, sales tax returns, and any other forms, records, books, and other information we periodically require relating to the Franchised Business.

10.3 Audited Statements. In the event you have been in default of any financial, payment, or reporting obligation under this Agreement, even if cured, more than twice during the

term of this Agreement, we reserve the right to require that you prepare, and provide us, audited financial statements on an annual basis. In addition, you must provide us with audited financial statements in the event you prepare them for any other purpose.

10.4 Use and Access. We may disclose data derived from your financial reports, although we will not without your consent (unless required by law) disclose your identity in any materials that we circulate publicly. Moreover, we may, as often as we deem appropriate (including on a continual basis), access the Computer System and retrieve all information relating to the Franchised Business' operation.

10.5 Preservation of Records. You agree to preserve and maintain all records (including, but not limited to, sales checks, purchase orders, invoices, payroll records, client lists, check stubs, sales tax records and returns, cash receipts and disbursement journals, and general ledgers) in a secure location at the Franchised Business for a period of at least five years, or such longer period of time as may be required under applicable federal, state, and local laws, regulations, and requirements.

11. INSPECTIONS AND AUDITS.

11.1 Our Right to Inspect the Franchised Business. To determine whether you and the Franchised Business are complying with this Agreement and to assess your operations and adherence to System Standards, we and our designated agents or representatives may at all times and with prior notice to you (1) inspect and observe the operation of the Franchised Business, (2) interview the Franchised Business' personnel and clients, and (3) inspect and copy any books, records, and documents relating to the Franchised Business' operation. You agree to cooperate with us fully in all such inspections. If we exercise any of these rights, we will not interfere unreasonably with the Franchised Business' operation.

11.2 Our Right to Audit. We may, 10 days after our request, examine your Franchised Business' bookkeeping and accounting records, sales, and income tax records and returns, and other records. You agree to cooperate fully with us, our representatives, accountants, auditors, and/or contractors in any examination. We may conduct our audit or examination at our offices or the offices of our representative, accountant, auditor, or contractor. If any examination discloses an understatement of the Franchised Business' Gross Sales, you agree to pay us, within 10 days after receiving the examination report, the Operating Fees due on the amount of the understatement, plus our service charges and interest on the understated amounts from the date originally due until the date of payment. Furthermore, if an examination is necessary due to your failure to furnish reports, supporting records, or other information as required, or to furnish these items on a timely basis, or if our examination reveals an understatement of Gross Sales exceeding 5% of the amount that you actually reported to us for the period examined, then (a) you agree to reimburse us for the costs of the examination, including the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of our employees, and (b) we may require you to provide us with periodic audited statements. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

12. CONFIDENTIAL INFORMATION AND COVENANT NOT TO COMPETE

12.1 Confidential Information.

(a) Receipt of Confidential Information. You acknowledge that prior to or during the Term, we may disclose in confidence to you, either orally or in writing, certain trade secrets, know-how, and other confidential information relating to the System, our business, our vendor relationships, our business plans, or the management, operation, performance, or promotion of Franchised Businesses (collectively, **"Confidential Information"**), including (i) our System Standards; (ii) the Training Materials; (iii) the Personal Information (as defined in Section 12.1(c) (Personal Information)); and (iv) any other information we reasonably deem to be, or from time to time designate, as confidential or proprietary. "Confidential Information" does not include (a) information that is part of the public domain or becomes part of the public domain through no fault of you, (b) information disclosed to you by a third party having legitimate and unrestricted possession of such information, or (c) information that you can demonstrate by clear and convincing evidence was within your legitimate and unrestricted possession when the parties began discussing the sale of the franchise.**Nondisclosure of Confidential Information.** We and our affiliates own all right, title, and interest in and to the Confidential Information. You and your Owners must not, nor may you permit any person or Entity to, use or disclose any Confidential Information (including all or any portion of the Training Materials) to any other person, except to the extent necessary for your professional advisors and your employees to perform their functions in the operation of the Franchised Business. You will be liable to us for any unauthorized use or disclosure of Confidential Information by any person to whom you disclose Confidential Information. You must take reasonable precautions to protect the Confidential Information from unauthorized use or disclosure and must implement, at your expense, any systems, procedures, or training programs that we require to protect such information. At our request, you will require anyone who may have access to the Confidential Information to execute non-disclosure agreements in a form satisfactory to us.

(**b**) **Personal Information.**

1. Protection of Personal Information. You must comply with any privacy, data protection, and breach-response policies that we establish from time to time (collectively, the "**Privacy Requirements**") and all Applicable Laws regarding the organizational, physical, administrative, and technical measures and security procedures to safeguard the confidentiality and security of Personal Information in your possession or control and, in any event, employ reasonable means to safeguard the confidentiality and security of Personal Information. "**Personal Information**" means names, contact information, financial information, and other personal information of, or relating to, your actual, prospective, and former clients or employees. We may specify from time to time the specific security measures that you must maintain.

2. **Data Breaches.** If there is a suspected or actual breach of security or unauthorized access involving Personal Information, you must notify us immediately after becoming aware of such actual or suspected occurrence and specify the extent to which Personal Information was compromised or disclosed. You must promptly identify and remediate the source of any compromise or security breach at your expense, in accordance with the Privacy Requirements. You are solely responsible for any financial losses you or any other party incurs or remedial actions that you or any other party must take as a result of a breach of security or unauthorized access to Personal Information in your control or possession. You assume all responsibility for providing all notices of breach or compromise and all duties to monitor credit histories and transactions concerning actual or prospective clients or employees of the Franchised Business, unless otherwise directed by us.

3. Ownership of Personal Information. You agree that all Personal Information that you collect in connection with the Franchised Business (i) is deemed to be owned by us and (ii) must be furnished to us at any time that we request it. In addition, we and our affiliates may, through the Computer System or otherwise, have independent access to Personal Information.

4. **Use of Personal Information.** You have the right to use Personal Information while this Agreement or a successor franchise agreement is in effect, but only to market Hallmark Homecare services to clients in accordance with the System Standards and Applicable Laws. You may not directly or indirectly sell, transfer, or use Personal Information for any purpose other than marketing Hallmark Homecare services. We and our affiliates may use Personal Information in any manner or for any lawful purpose. You must secure from your clients and others all consents and authorizations, and provide them all disclosures, that Applicable Law requires (i) to transmit Personal Information to us and our affiliates and (ii) for us and our affiliates to use that Personal Information, in the manner that this Agreement contemplates.

(b) Compliance with Privacy Requirements. Without limiting anything in Section 12.1(c) (Personal Information), you must abide by: (i) the Payment Card Industry Data Security Standards (PCI-DSS) (as they may be modified from time to time or as successor standards are adopted) and all other standards and policies related to electronic payments enacted by applicable payment card associations; (ii) the Fair and Accurate Credit Transactions Act; (iii) all applicable privacy, data protection, and electronic payment laws (including applicable state laws); and (iv) any Privacy Requirements.

12.2 Covenant Not to Compete.

(a) Acknowledgement. You acknowledge that we could not protect our Confidential Information and trade secrets against unauthorized use or disclosure if your Owners, members of their respective immediate families, and your managers ("**Restricted Persons**") or you engage in a business similar to the Franchised Business, which would constitute unfair competition. Therefore, to protect us and the entire network, you agree that, during the Term, you and the Restricted Persons agree to the provisions in this Section 12.2.

(b) During Term. During the Term, you and the Restricted Persons must not, without our prior written consent, either directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any other person or Entity: (i) own (other than the ownership of publicly-held securities that are traded on a stock exchange or on the over-the-counter market and which represent five percent (5%) or less of the class of securities of the issuer thereof outstanding), manage, engage in, be employed by, advise, make loans to, lease to, or have any other interest in any service business offering caregiver search, recruitment, and placement services to the elderly and others (a "**Competitive Business**") within the United States; (ii) divert or attempt to divert any actual or prospective business or client of the Franchised Business to any Competitive Business by direct or indirect inducement or otherwise; or (iii) perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(c) After Termination, Expiration, or Transfer. For two years after the expiration or termination of this Agreement or an approved transfer to a new franchisee, you and the Restricted Persons shall be subject to the same restrictions as in Section 12.2(b) (During Term), except the restrictions in numeral (i) and (ii) shall be geographically limited to any Competitive Business that is located within or operates within a 20-mile radius of your former Protected

Territory or the then-existing protected territory of any other Franchised Business that is in operation at the time of such expiration, termination, or transfer. With respect to the Owners or managers, the time period in this Section 12.2 will run from the expiration, termination, or transfer of this Agreement or from the termination of the Owner's or manager's relationship with you, whichever occurs first.

(d) Reasonableness and Enforcement. You acknowledge and agree that (i) the length, geographical scope, and breadth of the covenants provided in this Section 12.2 are reasonable and necessary for the protection of our legitimate business interests; (ii) you have received sufficient and valid consideration in exchange for those covenants; (iii) enforcement of the same would not impose undue hardship; and (iv) the period of protection provided by these covenants will not be reduced by any period of time during which you are in violation of the provisions of those covenants or any period of time required for enforcement of those covenants. To the extent that this Section 12.2 is judicially determined to be unenforceable by virtue of its scope or in terms of area or length of time, but may be made enforceable by reductions of any or all thereof, the same will be enforced to the fullest extent permissible.

(e) Covenants of Restricted Persons. The Owners personally bind themselves to this Section 12.2 by signing the attached Guarantee. We may, in our sole discretion, require you to obtain from the Restricted Persons and other individuals that we may designate executed agreements containing noncompete covenants similar in substance to those contained in this Section 12.2 as we prescribe in the and otherwise. The agreements must be in a form acceptable to us and specifically identify us as having the independent right to enforce them.

13. TRANSFER.

13.1 Transfer Defined. As used in this Agreement, the term "**transfer**" includes any voluntary, involuntary, direct, or indirect assignment, sale, gift, or other transfer by you or your Owners of any interest in this Agreement, the Franchised Business, or an ownership interest in you or the Franchised Business. You must not transfer your interest in this Agreement as a separate business independent of the Franchised Business or sell the Franchised Business by itself and separate it from your interest under this Agreement unless you receive our written consent to do so.

13.2 Transfer of the Franchise.

(a) Consent Required. You understand and acknowledge that the rights and obligations created by this Agreement are personal to your Owners and that we have granted the Franchise to you in reliance upon our perception of your Owners' individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Therefore, you and your Owners may not make any transfer without our prior approval. Any transfer without our approval constitutes a breach of this Agreement and is void and of no effect.

(b) Conditions for Obtaining Consent. We have sole and absolute discretion to withhold our consent for any proposed transfer, except as otherwise provided in Section 13.3 (Assignment to Wholly-Owned Entity). In addition to any other conditions that we reasonably specify, we require you and your Owners to comply with the following conditions as a prerequisite for obtaining our consent (unless waived by us): (i) you must not be in default (or, at our option, you must cure all defaults) under this Agreement and pay us all monies which you owe us; (ii) any transferee must complete and submit our franchise application, meet our then-current standards, be of good moral character, and financially capable of purchasing and operating the Franchised

Business; (iii) you or the transferee also must pay us a transfer fee of $10,000; (iv) the transferee must sign our then-current form of franchise agreement, which may contain terms and conditions different from this Agreement, for a full 10-year term and the transferee's owners must sign our then-current form of personal guarantee; (v) the transferee must complete any training programs that we require; (vi) you and your Owners must comply with all applicable provisions of Section 15 (Your Obligations Upon Expiration or Termination) after the transfer, including the noncompete covenant; and (vii) you and your Owners must execute a general release, in a form that we prescribe, of any and all claims against us, our affiliates, and our affiliates' past, present, and future officers, directors, managers, members, equity holders, agents, and employees.

13.3 Assignment to Related Entity. You may assign the Franchised Business and your interest in this Agreement to an Entity with the same Owners as you, provided that all of such Entity's Owners sign a personal guarantee of performance in a form we prescribe.

13.4 Transfer by Us. We have the right to transfer this Agreement and all of our rights, duties, and obligations under this Agreement to any person or Entity that we choose in our sole discretion. Upon any such assignment, we will be released from all of our duties and obligations hereunder, and you will look solely to our assignee for the performance of such duties and obligations.

13.5 Transfer Upon Death or Incapacity. If your Principal Owner should die or become incapacitated during the Term, any executor, administrator, guardian, or other personal representative must transfer your, his or her interest in this Agreement or ownership interest in you to a third party that we approve within a reasonable time (not to exceed six months). This transfer (including by bequest or inheritance) will be subject to all the terms and conditions specified in this Section 13. Failure to transfer such interest within this period of time shall constitute a breach of this Agreement.

14. TERMINATION.

14.1 Termination by Us. In addition to the remedies specified in Section 14.2 (Other Remedies), we will have the right to terminate this Agreement, effective upon delivery of notice of termination to you, if:

(a) Your Principal Owner is declared insane by a civil or criminal court;

(b) Any Owner or any of your officers or directors are convicted of or plead nolo contendere to a felony, a crime involving moral turpitude or consumer fraud, or any other crime or offense that we believe is likely to have an adverse effect on our franchise system, the Marks and any associated goodwill, or the Hallmark Homecare concept (an **"Adverse Effect"**), or you, your affiliates, any Owner, or any of your officers or directors has engaged in or engages in activities that, in our reasonable opinion, are reasonably likely to have an Adverse Effect;

(c) You become insolvent, suffer a voluntary or involuntary declaration of bankruptcy, have a receiver appointed for any portion of your property or the assets of the Franchised Business, or make an assignment for the benefit of your creditors or admission of an inability to pay your Franchise-related obligations as they become due (in which event the termination of this Agreement is effective immediately without notice from us);

(d) You fail to comply with our provisions regarding protection of our Intellectual Property or the use or disclosure of the Confidential Information;

(e) You or your Owners make any unauthorized assignment, transfer or encumbrance of any interest in this Agreement, the Franchised Business, the Franchise or any ownership interest in you;

(f) You willfully violate any Applicable Laws related to the Franchised Business;

(g) You fail to pay timely any amounts owing to us, and you do not cure such failure within 30 days after we deliver written notice of such failure to you;

(h) You fail to comply with any other provision of this Agreement or the Training Materials and do not cure such failure within 30 days after we deliver written notice of such failure to you;

(i) You fail to complete the Level 2 Training Program to our satisfaction and to begin operating your Franchised Business within 90 days following the Agreement Date (unless we consent to an extension);

(j) Your Franchised Business fails to achieve the Minimum Sales Requirement in three consecutive calendar quarters.

14.2 Other Remedies. If any of the events in Section 14.1 (Termination by Us) occurs, instead of terminating this Agreement, we may, at our sole election and upon delivery of written notice to you, (a) temporarily or permanently reduce the size of the Protected Territory (or terminate one or more Protected Territories, if you have multiple ones) and/or (b) suspend our or our affiliates' performance of, or compliance with, any of our or our affiliates' obligations to you under this Agreement or any other agreement.

14.3 Termination by You. You may terminate this Agreement only if: (i) we commit a material breach of this Agreement; (ii) you give us written notice of the breach; (iii) we fail to cure the breach, or to take reasonable steps to begin curing the breach, within 60 days after receipt of your notice; and (iv) you are in full compliance with your obligations under this Agreement. If we cannot reasonably correct the breach within this 60-day period but provide you, within this 60-day period, with reasonable evidence of our effort to correct the breach within a reasonable time period, then the cure period shall run through the end of such reasonable time period. Termination will be effective no less than ten days after you deliver to us written notice of termination for failure to cure within the allowed period. Any attempt to terminate this Agreement without complying with this Section 14.3 (including by ceasing operations under this Agreement) will constitute a material default of this Agreement by you.

15. YOUR OBLIGATIONS UPON EXPIRATION OR TERMINATION

15.1 Intellectual Property and Confidential Information. Immediately upon the expiration (without renewal) or termination of this Agreement, you must discontinue using any and all of our Intellectual Property and other Confidential Information. You must immediately return to us, at your expense, all copies (including electronic copies) of the Training Materials, all Personal Information, and all other Confidential Information (and all copies thereof).

15.2 Deidentification. Immediately upon the expiration (without renewal) or termination of this Agreement, you must immediately cease using, by advertising or in any other manner, (i) the Intellectual Property (including the Marks), (ii) the System and all other elements associated with the System, and (iii) any colorable imitation of any of the Intellectual Property or

any trademark, service mark, trade dress, or commercial symbol that is confusingly similar to any of the Marks. You must immediately take, and cause your Owners and affiliates to take, all action required to cancel all assumed name or equivalent registrations relating to your use of the Marks and to, in accordance with our directions, cancel or transfer to us or our designee all authorized and unauthorized domain names, social media accounts, telephone numbers, post office boxes, and classified and other directory listings relating to, or used in connection with, the Franchised Business or the Marks. In addition, you may not at any time following the expiration (without renewal), termination, or transfer of this Agreement identify yourself or any business as a current or former Hallmark Business or as our current or former franchisee.

15.3 Payment of Amounts Due. Upon termination, expiration, or transfer, you will not be relieved of any of your obligations, debts, or liabilities under this Agreement, including without limitation any debts, obligations, or liabilities that you accrued prior to such event. You must pay upon demand all sums owing to us, our affiliates, and our approved suppliers. If this Agreement is terminated due to your default or you do not comply with the post-termination provisions of this Agreement, you will promptly pay all damages, costs, and expenses, including reasonable attorneys' fees, incurred by us as a result of your default.

15.4 Noncompete Covenant. You and the Restricted Persons must comply with the noncompete provision in Section 12.2 (c) (After Termination, Expiration, or Transfer).

15.5 Injunctive and Other Relief. You acknowledge that your failure to abide by the provisions of this Section 15 will result in irreparable harm to us and that our remedy at law for damages will be inadequate. Accordingly, you agree that if you breach any provisions of this Section 15, we are entitled to injunctive relief (including the remedy of specific performance) in addition to any other remedies available at law or in equity.

16. RELATIONSHIP OF THE PARTIES

16.1 Independent Nature of Relationship. This Agreement establishes an independent contractor relationship. This Agreement does not create, nor does any conduct by either party create, a fiduciary or other special relationship or make you or us an agent, legal representative, joint venturer, partner, joint employer, employee, or servant of each other for any purpose. You are not authorized to (i) make any contract, agreement, warranty, or representation on our behalf or (ii) create any obligation, express or implied, on our behalf.

16.2 Your Responsibility. Subject to your obligation to comply with System Standards and this Agreement, you acknowledge that you are solely responsible for (i) decisions related to the day-to-day operation of the Franchised Business (including managing and controlling maintenance, safety, security, employment matters, and legal compliance), (ii) taking any actions you deem necessary to achieve your business objectives, (iii) all obligations and liabilities of, and for all loss or damage to, the Franchised Business, including any personal property or real property, and (iv) all claims or demands based on damage or destruction of property or based on injury, illness or death of any person or persons, directly or indirectly, resulting from the operation of the Franchised Business. Our retention and exercise of the right to inspect or approve certain matters with respect to the Franchised Business and its operation and to enforce our rights exists only to the extent required to protect our interest in the System and the Marks. Neither the retention nor the exercise of such rights is for the purpose of establishing any control, or the duty to take control, of any matters which are clearly reserved to you, nor shall they be construed to do so. We shall not be construed to be jointly liable for any of your acts or omissions under any circumstances.

17. DISPUTE RESOLUTION

17.1 Governing Law. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement and all claims arising from the relationship between us and you will be governed by the laws of the State of Nevada, without regard to that state's conflict of laws principles, except that any law regulating the sale of franchises or governing the relationship between you and us will not apply unless its jurisdictional requirements are met independently without reference to this Section.

17.2 Forum for Litigation. You and your Owners agree that all judicial actions brought by us against you or you against us, our affiliates or their respective owners, officers, directors, agents, or employees, must be brought exclusively in the state or federal court of general jurisdiction in the state, and in (or closest to) the city, where we then maintain our principal business address (currently, Incline Village, Nevada). You and each of your Owners irrevocably submit to the jurisdiction of such courts and waive any objection that you, he or she may have to either the jurisdiction or venue in such courts. Notwithstanding the foregoing, we may bring any action, including any action for a temporary restraining order or for temporary or preliminary injunctive relief, in any federal or state court in the state in which you reside or the Franchised Business operates.

17.3 MUTUAL WAIVER OF JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, YOU AND WE EACH WAIVE ANY RIGHT TO A JURY TRIAL IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, ARISING FROM THIS AGREEMENT OR ANY BUSINESS, ACTIVITIES, OR OPERATIONS UNDERTAKEN PURSUANT TO THIS AGREEMENT.

17.4 MUTUAL WAIVER OF PUNITIVE DAMAGES. YOU AND WE EACH WAIVE ANY RIGHT TO OR CLAIM OF PUNITIVE, EXEMPLARY, MULTIPLE, OR CONSEQUENTIAL DAMAGES AGAINST THE OTHER IN LITIGATION AND AGREE TO BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED, EXCEPT FOR ANY CLAIMS RELATED TO THE INDEMNIFICATION PROVISION IN SECTION 9 (INDEMNIFICATION). MUTUAL WAIVER OF CLASS ACTIONS. YOU AND WE EACH WAIVE ANY RIGHT TO BRING ANY CLAIMS ON A CLASS-WIDE BASIS. EACH PARTY MUST BRING ANY CLAIMS AGAINST THE OTHER PARTY ON AN INDIVIDUAL BASIS AND MAY NOT JOIN ANY CLAIM IT MAY HAVE WITH CLAIMS OF ANY OTHER PERSON OR ENTITY OR OTHERWISE PARTICIPATE IN A CLASS ACTION AGAINST THE OTHER PARTY. Remedies Not Exclusive. Except as provided in Section 17.4 (Mutual Waiver of Punitive Damages), no right or remedy that the parties have under this Agreement is exclusive of any other right or remedy under this Agreement or under Applicable Laws. Each and every such remedy will be in addition to, and not in limitation of or substitution for, every other remedy available at law or in equity or by statute or otherwise. **Attorneys' Fees.** In the event any legal action is instituted to enforce or interpret any of the terms of this Agreement, the prevailing party shall be entitled to a recovery of all reasonable attorneys' fees (and related expenses) and court costs.

18. NOTICES

All notices required or permitted under this Agreement will be in writing and will be given by one of the following methods of delivery to the addresses first listed above (unless either party gives written notice of an address change to the other party): (i) personally; (ii) by certified or registered mail, postage prepaid; or (iii) by overnight delivery service or (iv) emailed DocuSign documents . Notices will be deemed received the same day when delivered personally and upon

attempted delivery when sent by registered or certified mail or overnight delivery service. All routine requests for approval related to day-to-day operations (and communications related to such requests) must be in writing, but may be communicated via e-mail to the addresses provided by such other party.

19. ENTIRE AGREEMENT

This Agreement and the documents referred to herein constitute the entire agreement between you and us with respect to the Franchised Business and supersede all prior discussions, understandings, representations, and agreements concerning the same subject matter. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require you to waive reliance on any representations that we made in the most recent Franchise Disclosure Document (the **"FDD"**) that we delivered to you or your representatives. Neither this Agreement nor the relationship between the parties may be modified during the Term unless such modifications are set forth in writing and signed by both parties, except we may unilaterally change the Training Materials at any time.

20. MISCELLANEOUS

20.1 Construction. The words "**include**," "**including**," and words of similar import shall be interpreted to mean "including, but not limited to" and the terms following such words shall be interpreted as examples of, and not an exhaustive list of, the appropriate subject matter.

20.2 Severability. Each provision of this Agreement is severable from the others. If any provision of this Agreement or any of the documents executed in conjunction with this Agreement is for any reason determined by a court to be invalid, illegal, or unenforceable, the invalidity, illegality, or unenforceability will not affect any other remaining provisions of this Agreement or any other document. The remaining provisions will continue to be given full force and effect and bind us and you. **Survival.** Each provision of this Agreement that expressly or by reasonable implication is to be performed, in whole or in part, after the expiration, termination, or transfer of this Agreement will survive such expiration, termination, or transfer, including Sections 8.4 (Use of Intellectual Property), 9 (Indemnification), 12 (Confidential Information and Covenant Not to Compete), 15 (Your Obligations Upon Expiration or Termination), and 17 (Dispute Resolution).

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

21. FRANCHISEE ACKNOWLEDGEMENTS

You (on behalf of yourself and your Owners) represent, warrant, and acknowledge as follows:

21.1 Truth of Information. The information (including without limitation all personal and financial information) that you and your Owners have furnished or will furnish to us relating to the subject of this Agreement is true and correct in all material respects and includes all material facts necessary to make such information not misleading in light of the circumstances

when made. **Terrorist Acts:** You acknowledge that under applicable U.S. law, including Executive Order 13224, signed on September 23, 2001 (the "**Order**"), we are prohibited from engaging in any transaction with any person engaged in, or with a person aiding any person engaged in, acts of terrorism, as defined in the Order. Accordingly, you represent and warrant to us that, as of the date of this Agreement, no person holding any ownership interest in you, controlled by you, or under common control with you are designated under the Order as a person with whom business may not be transacted by us, and that you: (i) do not, and hereafter will not, engage in any terrorist activity; (ii) are not affiliated with and do not support any individual or Entity engaged in, contemplating, or supporting terrorist activity; and (iii) are not acquiring the rights granted under this Agreement with the intent to generate funds to channel to any individual or Entity engaged in, contemplating, or supporting terrorist activity, or to otherwise support or further any terrorist activity. **Independent Investigations:** You and your Owners have conducted an independent investigation of the Franchised Business contemplated by this Agreement and recognize that it involves business risks which make the success of the venture largely dependent upon those individuals' business abilities and efforts. You acknowledge that you have been given the opportunity to clarify any provision of this Agreement that you may not have initially understood and that we have advised you to have this Agreement reviewed by an attorney. Do not sign this Agreement if there is any question concerning its contents or any representations made.

21.2 No Financial Performance Representations. You acknowledge that, except as may be stated in the FDD, neither we, nor any of our affiliates, nor any of our or our affiliates' officers, agents, employees, or representatives have made any representation to you, express or implied, as to the historical revenues, earnings, or profitability of any Franchised Business or the anticipated revenues, earnings, or profitability of your Franchised Business or any other business operated by us, our licensees, our franchisees, or our affiliates. You acknowledge that we do not guarantee that you will receive any income or profits as a result of operating a Franchised Business.

21.3 No Personal Liability. You acknowledge that our fulfillment of any and all of our obligations or promises under this Agreement or otherwise shall be the sole responsibility of Hallmark Homecare, LLC. and no agent, representative or individual associated with us shall be held personally responsible.

IN WITNESS WHEREOF, the parties hereto have executed this Franchise Agreement as of the Agreement Date.

HALLMARK HOMECARE, LLC.,
a Nevada Limited Liability Company

By:_____
Title:_____Manager

CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR PROPRIETORSHIP

_____
[Company Name if Applicable]

By:_____
Title:_____

INDIVIDUALS:

_____

_____
[Print Name]

_____

_____
[Print Name]

EXHIBIT A

FRANCHISEE-SPECIFIC TERMS

1. **Franchise Fee**: The Franchise Fee is $_____

2. **Locations of the Franchised Business**:

3. **Owners**: The following persons constitute all of the owners of a legal and/or beneficial interest in you:

Name	**Address**	**Percentage Ownership**

4. **Protected Territory**: You are hereby granted ____ Protected Territor(ies). The Protected Territor(ies) have been determined based on mutual agreement between us and are as follows:

HALLMARK HOMECARE, LLC.,
a Nevada Limited Liability Company

By:_____
Title:_____Manager

CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR PROPRIETORSHIP

_____
[Company Name if Applicable]

By:_____
Title:_____

INDIVIDUALS:

_____

_____
[Print Name]

_____

_____
[Print Name]

EXHIBIT B

EDTA FORM

AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS (DIRECT DEBITS) _____(Name of Person or Legal Entity)
_____(FEIN Number).

The undersigned depositor **("Depositor"**) hereby authorizes Hallmark Homecare, LLC. **("Franchisor"**) to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the depository designated below **("Depository"**) to debit or credit such account(s) pursuant to Franchisor's instructions.

_____ _____
Depository Branch

_____ _____ _____
City State Zip Code

_____ _____
Bank Transit/ABA Number Account Number

DEPOSITOR:

_____
Signature

_____
Name

_____
Title/Entity (if applicable)

_____
Date

EXHIBIT C

PAYMENT AND PERFORMANCE GUARANTEE

In order to induce Hallmark Homecare, LLC. (**"Franchisor"**) to enter into and to continue to maintain a Hallmark Homecare Franchise Agreement (the **"Franchise Agreement"**) by and between Franchisor and _____ ("**Franchisee**") dated _____ for a Hallmark Homecare ® franchise to be located in _____ (the **"Franchise Agreement"**), the undersigned (collectively referred to as the **"Guarantors"** and individually referred to as a **"Guarantor"**) have executed this guaranty (the "**Guaranty**") and covenant and agree as follows:

1. Defined Terms. All references to "Franchisor" in this Guaranty shall be deemed to include its affiliates, its successors, and its assigns. All references to the "Franchise Agreement" in this Guaranty shall include all extensions, renewals, or modifications to such agreement. All capitalized terms not defined herein shall have the meanings given to them in the Franchise Agreement.

2. Guarantee of Payment and Performance. The Guarantors jointly and severally unconditionally guarantee the full, prompt, and complete payment and performance when due, whether by acceleration or otherwise, of all obligations, indebtedness, and liabilities of Franchisee to Franchisor, direct or indirect, absolute or contingent, of every kind and nature, whether now existing or incurred from time to time hereafter, whether incurred pursuant to the Franchise Agreement or otherwise, together with any extension, renewal, or modification thereof in whole or in part (the **"Guaranteed Liabilities"**). The Guarantors agree that if any of the Guaranteed Liabilities are not so paid or performed by Franchisee when due, the Guarantors will immediately do so.

3. Independent Obligations. The obligations of the Guarantors are independent of the obligations of Franchisee and a separate action or actions may be brought and prosecuted against any or all of the Guarantors, whether or not actions are brought against Franchisee or whether Franchisee is joined in any such action.

4. Enforcement Costs. If Franchisor (a) engages legal counsel in connection with any failure by any Guarantor to comply with this Guaranty or (b) seeks to enforce this Guaranty in a judicial or arbitration proceeding and prevails in such proceeding, Franchisor shall be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accountants', attorneys', arbitrators', and expert witness fees, costs of investigation and proof of facts, court costs, and other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding.

5. Right to Bind. If the Franchisee is an Entity, (a) Franchisor shall not be obligated to inquire into the power or authority of Franchisee or its officers, directors, agents, managers, representatives, employees or other persons of Entities acting or purporting to act on Franchisee's behalf and (b) any obligation or indebtedness made or created in reliance upon the exercise of such power and authority shall be guaranteed under this Guaranty. Where the Guarantors are Entities, it shall be conclusively presumed that (i) the Guarantors and all shareholders, partners, members and other owners of such Entities, and all officers, directors, agents, managers, representatives, employees or other persons of Entities acting on their behalf, have the express authority to bind such Entities, (ii) such Entities have the express power to act

as the Guarantors pursuant to this Guaranty, and (iii) such action directly promotes the business and is in the interest of such Entities.

6. Right to Enforce. This Guaranty is primary and not secondary and will be enforceable without Franchisor having to proceed first against Franchisee or against any or all of the Guarantors or against any other security for the Guaranteed Liabilities. This Guaranty will be effective regardless of the insolvency of Franchisee by operation of law, any reorganization, merger, or consolidation of Franchisee, or any change in the ownership of Franchisee.

7. Term. This Guaranty will be irrevocable, absolute, and unconditional and will remain in full force and effect as to each of the Guarantors until the later of the date when (a) all Guaranteed Liabilities of Franchisee to Franchisor and its Affiliates have been paid and satisfied in full or (b) the Franchise Agreement and all obligations of Franchisee under such agreement expire.

8. Waivers by Guarantors. The Guarantors each further waive presentment, demand, notice of dishonor, protest, nonpayment and all other notices whatsoever, including, without limitation: (a) notice of acceptance hereof; (b) notice of all contracts and commitments; (c) notice of the existence or creation of any liabilities under the Franchise Agreement and of the amount and terms thereof; and (d) notice of all defaults, disputes, or controversies between Franchisee and Franchisor resulting from or arising out of the Franchise Agreement or otherwise, and any resulting settlements, compromises, or adjustments.

9. No Waiver. No delay or failure on the part of Franchisor in the exercise of any right or remedy will operate as a waiver thereof, and no single or partial exercise by Franchisor of any right or remedy will preclude other further exercise of such right or any other right or remedy.

10. Successors and Assigns. This Guaranty shall be enforceable by and against the respective administrators, executors, heirs, successors, and assigns of the Guarantors. The death of any Guarantor shall not terminate the liability of such Guarantor or limit the liability of the other Guarantors under this Guaranty.

11. Nondisclosure Covenant. Each of the Guarantors agrees to personally comply with, and personally be liable for the breach of, all of the provisions of Section 12.1 (Confidential Information) of the Franchise Agreement, including those related to the nondisclosure and protection of Proprietary Information, as though each such Guarantor were the "Franchisee" named in the Franchise Agreement.

12. Noncompete Covenant. Each of the Guarantors agrees to personally comply with, and personally be liable for the breach of, all of the provisions of Section 12.2 (Covenant Not to Compete) of the Franchise Agreement, including both the in-term and post-term noncompete, as though each such Guarantor were the "Franchisee" named in the Franchise Agreement.

13. Other Covenants. Each of the Guarantors agrees to personally comply with the provisions of Sections 8.4 (Use of Intellectual Property), 9 (Indemnification), 12 (Confidential Information and Covenant Not to Compete), 13 (Transfer), and 15 (Your Obligations Upon Expiration or Termination) of the Franchise Agreement as though each such Guarantor were the "Franchisee" named in the Franchise Agreement. Each of the Guarantors will take any and all actions as may be necessary or appropriate to cause Franchisee to comply with the

Franchise Agreement and will not take any action that would cause Franchisee to be in breach of the Franchise Agreement.

14. Dispute Resolution and Governing Law. Section 17 (Dispute Resolution) of the Franchise Agreement is hereby incorporated herein by reference and will be applicable to any all disputes or controversies between Franchisor and any of the Guarantors, as though the Guarantors were the "Franchisee" referred to in the Franchise Agreement.

IN WITNESS WHEREOF, the undersigned Guarantors have caused this Guarantee to be duly executed as of the day and year first above written.

_____

Print Name: _____

_____

Print Name:_____

_____

Print Name: _____

_____

Print Name: _____

EXHIBIT D
TO THE FDD

STATE ADMINISTRATORS/AGENCIES FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013 (213) 576-7500 or (866) 275-2677	Commissioner of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013
HAWAII	Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2744	Commissioner of Securities Business Registration Division 335 Merchant Street, Room 203 Honolulu, HI 96813
ILLINOIS	Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	Illinois Attorney General 500 South Second Street Springfield, Illinois 62706
INDIANA	Indiana Securities Division Secretary of State Room E-111 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State Room E-111 302 West Washington Street Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Maryland Division of Securities 200 St. Paul Place Baltimore, MD 21202 (410) 576-7042	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division 525 West Ottawa Street Williams Building, 6th Floor Lansing, MI 48933 (517) 335-7567	Michigan Department of Commerce Corporations and Securities Bureau 525 West Ottawa Street Williams Building, 6th Floor Lansing, MI 48933
MINNESOTA	Minnesota Department of Commerce Securities-Franchise Registration 85 7th Place East Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce 85 7th Place East Suite 280 St. Paul, MN 55101-2198
NEW YORK	NYS Department of Law Bureau of Investor Protection and Securities 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8236	Secretary of State of New York One Commerce Plaza 99 Washington Avenue Albany, NY 12231

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Ave. State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner 600 East Boulevard Ave. State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510
RHODE ISLAND	Securities Division Department of Business Regulations 1511 Pontiac Avenue Cranston, RI 02920 (401) 462-9585	Director of Business Regulation 1511 Pontiac Avenue Cranston, RI 02920
SOUTH DAKOTA	South Dakota Department of Labor and Regulation Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of the Division of Insurance South Dakota Department of Labor and Regulation Division of Insurance 124 S. Euclid, Suite 104 Pierre, SD 57501
VIRGINIA	State Corporation Commission Tyler Building, Ninth Floor 1300 E. Main Street Richmond, VA 23219 (804) 371-9051	Clerk, Virginia State Corporation Commission Tyler Building, Ninth Floor 1300 E. Main Street Richmond, VA 23219
WASHINGTON	Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, Washington 98501 (360) 902-8760	Director of Financial Institutions 150 Israel Road SW Tumwater, WA 98501
WISCONSIN	Division of Securities Department of Financial Institutions 201 W Washington Ave Suite 300 Madison, WI 53703 608-266-8557	Division of Securities, Department of Financial Institutions 201 W Washington Ave Suite 300 Madison, WI 53703

EXHIBIT E
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HALLMARK HOMECARE
A Referral Agency

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HALLMARK HOMECARE
A Referral Agency

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EXHIBIT F
TO THE FDD

STATE-SPECIFIC
ADDITIONAL DISCLOSURES AND FRANCHISE AGREEMENT ADDENDA

The following are additional disclosures for the Franchise Disclosure Document required by various state franchise laws. Each provision of these additional disclosures will only apply to you if the applicable state franchise registration and disclosure law applies to you.

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT FOR CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, AND WISCONSIN

The following provision applies only to franchisees and Franchised Businesses that are subject to the state franchise disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and/or Wisconsin:

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

CALIFORNIA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

In recognition of the requirements of the California Franchise Investment Law, California Corporations Code §§ 31000 through 31516, and the California Franchise Relations Act, California Business and Professions Code §§ 20000 through 20043, the Disclosure Document for Hallmark Homecare in connection with the offer and sale of franchises for use in the State of California is amended to including the following:

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

2. SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF BUSINESS OVERSIGHT BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR DEVELOPMENT AGREEMENT OR FRANCHISE AGREEMENT.

3. OUR WEBSITE, www.hallmarkhomecare.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.

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

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

5. The following paragraphs are added at the end of Item 17:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee and multi-unit developer concerning termination or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, and the law applies, the law will control.

The Franchise Agreement contains a covenant not to compete that extends beyond termination of the franchise. This provision might not be enforceable under California law.

The Franchise Agreement provides for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C.A. Sections 101 et seq.).

The Franchise Agreement requires application of the laws of the State of Nevada. This provision might not be enforceable under California law.

The Franchise Agreement requires that any action you bring be commenced in federal or state courts in Incline Village, Nevada. 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 the Franchise Agreement restricting litigation to a forum outside the State of California.

The Franchise Agreement requires you to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

HAWAII ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT

THESE FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE FDD, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FDD CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Registered agent in the state authorized to receive service of process: Commissioner of Securities, Department of Commerce and Consumer Affairs, Business Registration Division, Securities Compliance Branch, 335 Merchant Street, Room 203, Honolulu, Hawaii 96813.

ILLINOIS ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT

The following statements are added to Item 17:

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.

The Illinois Franchise Disclosure Act provides that any provision in the Franchise Agreement that designates jurisdiction in a forum outside of Illinois is void with respect to any action which is otherwise enforceable in Illinois.

The Illinois Franchise Disclosure Act requires that Illinois law apply to any claim arising under the Illinois Franchise Disclosure Act.

The conditions under which your Franchise Agreement can be terminated and your rights upon nonrenewal may be affected by Sections 19 and 20 of the Illinois Franchise Disclosure Act.

INDIANA ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT

The following statements are added to Item 17:

The Indiana Deceptive Franchise Practices Law (Indiana Code 23-2-2.7 et seq.) in general governs the relationship between the franchisor and the franchisee by forbidding certain provisions in the franchise agreement and related documents and by preventing the franchisor from engaging in certain acts and practices which could be considered coercive

or oppressive to the franchisee. If any of the provisions of the Franchise Agreement conflicts with this law, this law will control.

Any provisions requiring you to sign a general release of claims against us, including upon execution of a successor Franchise Agreement, refund of initial fees, or transfer, does not release any claim you may have under the Indiana Deceptive Franchise Practices Law.

The Franchise Agreement provide that suits must be brought in the State of Nevada. These provisions may not be enforceable under Indiana law.

Indiana franchise laws will govern the Franchise Agreement and any and all other related documents.

MARYLAND ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT

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

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to claims or liability arising under the Maryland Franchise Registration and Disclosure Law.

2. The following is added to the end of the "Summary" section of Item 17(h), entitled "Cause" defined – non-curable defaults:

The Franchise Agreement provides for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

3. The following sentence is added to the end of the "Summary" section of Item 17(v), entitled Choice of forum:

You may bring suit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. The following language is added to the end of the chart in Item 17:

You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after the grant of the franchise.

MINNESOTA ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT

1. **Trademarks**. The following sentence is added to the end of Item 13:

Provided you have complied with all provisions of the Franchise Agreement applicable to the Marks, we will protect your rights to use the Marks and we also

will indemnify you from any loss, costs or expenses from any claims, suits or demands regarding your use of the Marks in accordance with Minn. Stat. Sec. 80C.12 Subd. 1(g).

2. **Renewal, Termination, Transfer and Dispute Resolution**. The following is added at the end of the chart in Item 17:

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

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J might prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or Franchise Agreement can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction. Those provisions also provide that no condition, stipulation or provision in the Franchise Agreement will in any way abrogate or reduce any of your rights under the Minnesota Franchises Law, including, if applicable, the right to submit matters to the jurisdiction of the courts of Minnesota.

Any release required as a condition of renewal, sale and/or transfer/assignment will not apply to the extent prohibited by applicable law with respect to claims arising under Minn. Rule 2860.4400D.

NEW YORK ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT D OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NYS DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS

WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

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

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

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

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

None of the franchisor, its affiliates, its predecessors, officers, or general partners during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S.

Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

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

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

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

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

6. The following language replaces the "Summary" section of Item 17(d), entitled Termination by franchisee:

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

7. The following is added to the end of the "Summary" section of Item 17(j), entitled Assignment of contract by franchisor:

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

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

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

NORTH DAKOTA ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT

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

Based on our financial condition, the North Dakota Securities Commissioner has required a financial assurance. Therefore, all initial fees owed by you to us will be deferred until we have completed our obligations to you under the Franchise Agreement and your Franchised Business opens for business under the Franchise Agreement.

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

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

3. The following is added to the end of the "Summary" section of Item 17(r), entitled Non-competition covenants after the franchise is terminated or expires:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we and you will enforce the covenants to the maximum extent the law allows.

4. The "Summary" section of Item 17(u), entitled Dispute resolution by arbitration or mediation is deleted and replaced with the following:

To the extent required by the North Dakota Franchise Investment Law (unless such requirement is preempted by the Federal Arbitration Act), mediation will be at a site to which we and you mutually agree.

5. The "Summary" section of Item 17(v), entitled Choice of forum, is deleted and replaced with the following:

You must sue us in the State of Nevada, except that to the extent required by the North Dakota Franchise Investment Law, you may bring an action in North Dakota.

6. The "Summary" section of Item 17(w), entitled Choice of law, is deleted and replaced with the following:

Except as otherwise required by North Dakota law, the laws of the State of Nevada will apply.

RHODE ISLAND ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT

The following language is added to the end of the "Summary" sections of Item 17(v), entitled Choice of forum, and 17(w), entitled Choice of law:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum

outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

VIRGINIA ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT

The following statements are added to Item 17.h.:

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

WASHINGTON ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT

In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.010 through 19.100.940, the Disclosure Document for Hallmark Homecare for use in the State of Washington is amended as follows:

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

2. 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.

3. 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.

4. 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.

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

6. 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.

7. 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.

8. Franchisees who receive financial incentives to refer franchise prospects to franchisors may be required to register as franchise brokers under the laws of Washington State.

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

THE FOLLOWING PAGES IN THIS EXHIBIT ARE STATE-SPECIFIC ADDENDA TO THE FRANCHISE AGREEMENT

CALIFORNIA ADDENDUM
TO FRANCHISE AGREEMENT

THIS ADDENDUM (this "**Addendum**") is made and entered into by and between Hallmark Homecare, LLC. (**"Franchisor"**), and _____ (**"Franchisee"**). In this Addendum, **"we," "us,"** and **"our"** refers to Franchisor. **"You"** and **"your"** refers to Franchisee.

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20___ (the "**Franchise Agreement**"). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) any of the offering or sales activity relating to the Franchise Agreement occurred in California or (b) the Franchised Business that you will operate under the Franchise Agreement will be located in California.

2. **INSOLVENCY**. If any of the provisions of the Franchise Agreement concerning termination are inconsistent with either the California Franchise Relations Act or the Federal Bankruptcy Code (concerning termination of the Agreement on certain bankruptcy-related events), then the Federal Bankruptcy Code applies.

3. **GOVERNING LAW**. The Franchise Agreement is governed by Nevada law. This requirement may be unenforceable under California law.

4. **COVENANT NOT TO COMPETE**. 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.

5. **NO WAIVERS**. 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). California Business and Professions Code § 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§ 20000 through 20043).

6. **CHOICE OF FORUM**. The Franchise Agreement requires that any litigation be conducted in the state of our principal place of business. This provision may not be enforceable under California law.

IN WITNESS WHEREOF, each of the undersigned has executed this Addendum under seal as of the Effective Date.

FRANCHISOR:	**FRANCHISEE:**
HALLMARK HOMECARE, LLC.	_____
By:_____	By:_____
Name:_____Steven Everhart	Name: _____
Title:_____Manager	Title: _____
Date: _____	Date:_____

ILLINOIS ADDENDUM
TO FRANCHISE AGREEMENT

THIS ADDENDUM (this "**Addendum**") is made and entered into by and between Hallmark Homecare, LLC. (**"Franchisor"**), and _____ (**"Franchisee"**). In this Addendum, **"we," "us,"** and **"our"** refers to Franchisor. **"You"** and **"your"** refers to Franchisee.

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20___ (the "**Franchise Agreement**"). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) any of the offering or sales activity relating to the Franchise Agreement occurred in Illinois and the Franchised Business that you will operate under the Franchise Agreement will be located in Illinois, and/or (b) you are domiciled in Illinois.

2. **GOVERNING LAW**. Section 17.1 (Governing Law) of the Franchise Agreement is deleted and replaced with the following:

> EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER UNITED STATES FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE GOVERNED BY THE LAWS OF THE STATE OF ILLINOIS WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES.

3. **FORUM FOR LITIGATION**. The following sentence is added to the end of Section 17.2 (Forum for Litigation) of the Franchise Agreement:

> Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement which designates jurisdiction in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois.

4. **MUTUAL WAIVER OF JURY TRIAL AND PUNITIVE DAMAGES.** The following language is added to the end of Sections 17.3 (Mutual Waiver of Jury Trial) and 17.4 (Mutual Waiver of Punitive Damages) of the Franchise Agreement:

> HOWEVER, THIS SECTION SHALL NOT ACT AS A CONDITION, STIPULATION OR PROVISION PURPORTING TO BIND ANY PERSON ACQUIRING ANY FRANCHISE TO WAIVE COMPLIANCE WITH ANY PROVISION OF THE ILLINOIS FRANCHISE DISCLOSURE ACT AT SECTION 705/41 OR ILLINOIS REGULATIONS AT SECTION 200.609.

5. **ENTIRE AGREEMENT.** Section 19 (Entire Agreement) of the Franchise Agreement is amended by adding the following:

> Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim the express representations we made in the Franchise Disclosure Document.

6. **ILLINOIS FRANCHISE DISCLOSURE ACT**. The following language is added at the end of Section 21 of the Franchise Agreement:

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

IN WITNESS WHEREOF, each of the undersigned has executed this Addendum under seal as of the Effective Date.

FRANCHISOR:	**FRANCHISEE:**
HALLMARK HOMECARE, LLC.	_____
By:_____	By:_____
Name:_____Steven Everhart	Name: _____
Title:_____Manager	Title: _____
Date: _____	Date:_____

INDIANA ADDENDUM
TO FRANCHISE AGREEMENT

THIS ADDENDUM (this "**Addendum**") is made and entered into by and between Hallmark Homecare, LLC. (**"Franchisor"**), and _____ (**"Franchisee"**). In this Addendum, **"we," "us,"** and **"our"** refers to Franchisor. **"You"** and **"your"** refers to Franchisee.

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20___ (the "**Franchise Agreement**"). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) you are domiciled in Indiana, and/or (b) the Franchised Business that you will operate under the Franchise Agreement will be located in Indiana.

2. **GOVERNING LAW**. he laws of the State of Indiana supersede any provisions of the Franchise Agreement, or Nevada law if these provisions are in conflict with Indiana law. The Franchise Agreement will be governed by Indiana law, rather than Nevada law as stated in Section 17.1 (Governing Law) of the Franchise Agreement.

3. **CHOICE OF VENUE**. Venue for litigation will not be limited to Nevada, as specified in Section 17.2 (Forum for Litigation) of the Franchise Agreement.

4. **NO WAIVER**. No release language stated in the Franchise Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws on franchising of the State of Indiana.

IN WITNESS WHEREOF, each of the undersigned has executed this Addendum under seal as of the Effective Date.

FRANCHISOR:	**FRANCHISEE:**
HALLMARK HOMECARE, LLC.	_____
By:_____	By:_____
Name:_____Steven Everhart	Name: _____
Title:_____Manager	Title: _____
Date: _____	Date:_____

MARYLAND ADDENDUM
TO FRANCHISE AGREEMENT

THIS ADDENDUM (this "**Addendum**") is made and entered into by and between Hallmark Homecare, LLC. (**"Franchisor"**), and _____ (**"Franchisee"**). In this Addendum, **"we," "us,"** and **"our"** refers to Franchisor. **"You"** and **"your"** refers to Franchisee.

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20___ (the "**Franchise Agreement**"). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) you are domiciled in Maryland, and/or (b) the Franchised Business that you will operate under the Franchise Agreement will be located in Maryland.

2. **RELEASES.** The following is added to the end of Sections 1.3 (Renewal) and 13.2(b) (Conditions for Obtaining Consent) of the Franchise Agreement:

> However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to any claims or liability arising under the Maryland Franchise Registration and Disclosure Law.

3. **INSOLVENCY**. The following sentence is added to the end of Section 14.1 (Termination by Us) of the Franchise Agreement:

> Section 14.1(c) may not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

4. **GOVERNING LAW**. The following sentence is added to the end of Section 17.1 (Governing Law) of the Franchise Agreement:

> Notwithstanding the foregoing, the Maryland Franchise Registration and Disclosure Law shall govern any claim arising under that law.

5. **FORUM FOR LITIGATION**. The following language is added to the end of Section 17.2 (Forum for Litigation) of the Franchise Agreement:

> You may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. **LIMITATIONS OF CLAIMS**. The following sentence is added to the end of Section 17 (Dispute Resolution) of the Franchise Agreement:

> You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after we grant you the franchise.

7. **FRANCHISEE ACKNOWLEDGEMENTS**. The following is added to the end of Section 21 (Franchisee Acknowledgements) of the Franchise Agreement:

> All representations requiring you to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

IN WITNESS WHEREOF, each of the undersigned has executed this Addendum under seal as of the Effective Date.

FRANCHISOR:	**FRANCHISEE:**
HALLMARK HOMECARE, LLC.	_____
By:_____	By:_____
Name:_____Steven Everhart	Name: _____
Title:_____Manager	Title: _____
Date: _____	Date:_____

MINNESOTA ADDENDUM
TO FRANCHISE AGREEMENT

THIS ADDENDUM (this "**Addendum**") is made and entered into by and between Hallmark Homecare, LLC. (**"Franchisor"**), and _____ (**"Franchisee"**). In this Addendum, **"we," "us,"** and **"our"** refers to Franchisor. **"You"** and **"your"** refers to Franchisee.

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20___ (the "**Franchise Agreement**"). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) the Franchised Business that you will operate under the Franchise Agreement will be located in Minnesota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Minnesota.

2. **RELEASES.** The following is added to the end of Sections 1.3 (Renewal) and 13.2(b) (Conditions for Obtaining Consent) of the Franchise Agreement:

> Any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

3. **SUCCESSOR TERM AND TERMINATION TERM**. The following is added to the end of Sections 1.3 (Renewal) and 14 (Termination) of the Franchise Agreement:

> However, with respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of this Agreement.

4. **NOTIFICATION OF INFRINGEMENT AND CLAIMS**. The following sentence is added to the end of Section 8.4 (Use of Intellectual Property) of the Franchise Agreement:

> Provided you have complied with all provisions of this Agreement applicable to the Marks, we will protect your right to use the Marks and will indemnify you from any loss, cots or expenses arising out of any claims, suits or demands regarding your use of the Marks in accordance with Minn. Stat. Sec. 80C 12, Subd. 1(g).

5. **GOVERNING LAW**. The following statement is added at the end of Section 17.1 (Governing Law) of the Franchise Agreement:

> NOTHING IN THIS AGREEMENT WILL ABROGATE OR REDUCE ANY OF YOUR RIGHTS UNDER MINNESOTA STATUTES CHAPTER 80C OR YOUR RIGHT TO ANY PROCEDURE, FORUM OR REMEDIES THAT THE LAWS OF THE JURISDICTION PROVIDE.

6. **FORUM FOR LITIGATION**. The following language is added to the end of Section 17.2 (Forum for Litigation) of the Franchise Agreement:

> NOTWITHSTANDING THE FOREGOING, MINN. STAT. SEC. 80C.21 AND MINN. RULE 2860.4400J PROHIBIT US, EXCEPT IN CERTAIN SPECIFIED CASES, FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE OF MINNESOTA. NOTHING IN THIS AGREEMENT WILL ABROGATE OR REDUCE ANY OF YOUR RIGHTS UNDER

MINNESOTA STATUTES CHAPTER 80.C OR YOUR RIGHTS TO ANY PROCEDURE, FORUM OR REMEDIES THAT THE LAWS OF THE JURISDICTION PROVIDE.

7. **MUTUAL WAIVER OF JURY TRIAL AND PUNITIVE DAMAGES**. If and then only to the extent required by the Minnesota Franchises Law, Sections 17.3 and 17.4 of the Franchise Agreement are deleted.

8. **LIMITATIONS OF CLAIMS**. The following is added to the end of Section 17 of the Franchise Agreement:

> Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than 3 years after the cause of action accrues.

IN WITNESS WHEREOF, each of the undersigned has executed this Addendum under seal as of the Effective Date.

FRANCHISOR:	**FRANCHISEE:**
HALLMARK HOMECARE, LLC.	_____
By:_____	By:_____
Name: Steven Everhart	Name: _____
Title: Manager	Title: _____
Date: _____	Date:_____

NEW YORK ADDENDUM
TO FRANCHISE AGREEMENT

THIS ADDENDUM (this "**Addendum**") is made and entered into by and between Hallmark Homecare, LLC. (**"Franchisor"**), and _____ (**"Franchisee"**). In this Addendum, **"we," "us,"** and **"our"** refers to Franchisor. **"You"** and **"your"** refers to Franchisee.

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20___ (the "**Franchise Agreement**"). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) you are domiciled in the State of New York and the Franchised Business that you will operate under the Franchise Agreement will be located in New York, and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in New York.

2. **TRANSFER - BY US**. The following language is added to the end of Section 13.4 (Transfer by Us) of the Franchise Agreement:

> However, to the extent required by applicable law, no transfer will be made except to an assignee that, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

3. **RELEASES**. The following language is added to the end of Sections 1.3 (Renewal) and 13.2(b) (Conditions for Obtaining Consent) of the Franchise Agreement:

> Notwithstanding the foregoing all rights enjoyed by you and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force to the extent required by the non-waiver provisions of GBL Sections 687.4 and 687.5, as amended.

4. **TERMINATION OF AGREEMENT - BY YOU**. The following language is added to the end of Section 14.3 (Termination by You) of the Franchise Agreement:

> You also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. **INJUNCTIVE RELIEF.** The following sentence is added to the end of Sections 15.5 (Injunctive and Other Relief) and 17.2 (Forum for Litigation):

> Our right to obtain injunctive relief exists only after proper proofs are made and the appropriate authority has granted such relief.

6. **GOVERNING LAW.** The following is added to the end of Section 17.1 (Governing Law) of the Franchise Agreement:

> This section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law, as amended, and the regulations issued thereunder.

7. **FORUM FOR LITIGATION**. The following statement is added at the end of Section 17.2 (Forum for Litigation) of the Franchise Agreement:

This section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law, as amended, and the regulations issued thereunder.

IN WITNESS WHEREOF, each of the undersigned has executed this Addendum under seal as of the Effective Date.

FRANCHISOR:	**FRANCHISEE:**
HALLMARK HOMECARE, LLC.	_____
By:_____	By:_____
Name:_____Steven Everhart	Name: _____
Title:_____Manager	Title: _____
Date: _____	Date:_____

NORTH DAKOTA ADDENDUM
TO FRANCHISE AGREEMENT

THIS ADDENDUM (this "**Addendum**") is made and entered into by and between Hallmark Homecare, LLC. (**"Franchisor"**), and _____ (**"Franchisee"**). In this Addendum, **"we," "us,"** and **"our"** refers to Franchisor. **"You"** and **"your"** refers to Franchisee.

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20___ (the "**Franchise Agreement**"). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) you are a resident of North Dakota and the Franchised Business that you will operate under the Franchise Agreement will be located or operated in North Dakota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in North Dakota.

2. **RELEASES**. The following is added to the end of Sections 1.3 (Renewal) and 13.2(b) (Conditions for Obtaining Consent) of the Franchise Agreement:

> Any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

3. **INITIAL FEES**. The following is added to the end of Section 4 (Initial Franchise Fee) of the Franchise Agreement:

> Based on our financial condition, the North Dakota Securities Commissioner has required a financial assurance. Therefore, the Franchise Fee owed by you to us will be deferred until we have completed our obligations to you under the Franchise Agreement and your Franchised Business opens for business.

4. **COVENANT NOT TO COMPETE**. The following is added to the end of Section 12.2 (Covenant Not to Compete) of the Franchise Agreement:

> Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we will enforce the covenants to the maximum extent the law allows.

5. **GOVERNING LAW**. Section 17.1 (Governing Law) of the Franchise Agreement is deleted and replaced with the following:

> EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER UNITED STATES FEDERAL LAW, AND EXCEPT AS OTHERWISE REQUIRED BY NORTH DAKOTA LAW, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE GOVERNED BY THE LAWS OF THE STATE OF NEVADA WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT ANY LAW REGULATING THE SALE OF FRANCHISES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SECTION.

6. **FORUM FOR LITIGATION**. The following is added to the end of Section 17.2 (Forum for Litigation) of the Franchise Agreement:

> NOTWITHSTANDING THE FOREGOING, TO THE EXTENT REQUIRED BY THE NORTH DAKOTA FRANCHISE INVESTMENT LAW, AND SUBJECT TO YOUR ARBITRATION OBLIGATIONS, YOU MAY BRING AN ACTION IN NORTH DAKOTA FOR CLAIMS ARISING UNDER THE NORTH DAKOTA FRANCHISE INVESTMENT LAW.

7. **WAIVER OF JURY TRIAL**. To the extent required by the North Dakota Franchise Investment Law, Section 17.3 (Waiver of Jury Trial) of the Franchise Agreement is deleted.

8. **WAIVER OF PUNITIVE DAMAGES**. To the extent required by the North Dakota Franchise Investment Law, Section 17.4 (Waiver of Punitive Damages) of the Franchise Agreement is deleted.

IN WITNESS WHEREOF, each of the undersigned has executed this Addendum under seal as of the Effective Date.

FRANCHISOR:	**FRANCHISEE:**
HALLMARK HOMECARE, LLC.	_____
By:_____	By:_____
Name: Steven Everhart	Name: _____
Title: Manager	Title: _____
Date: _____	Date:_____

RHODE ISLAND ADDENDUM
TO FRANCHISE AGREEMENT

THIS ADDENDUM (this "**Addendum**") is made and entered into by and between Hallmark Homecare, LLC. (**"Franchisor"**), and _____ (**"Franchisee"**). In this Addendum, **"we," "us,"** and **"our"** refers to Franchisor. **"You"** and **"your"** refers to Franchisee.

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20___ (the "**Franchise Agreement**"). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) the Franchised Business that you will operate under the Franchise Agreement will be located in Rhode Island; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Rhode Island.

2. **NON-RENEWAL AND TERMINATION.** The following paragraph is added to the end of Sections 1.3 (Renewal) and 14.1 (Termination by Us):

> Section 6-50-4 of the Rhode Island Fair Dealership Law includes the requirement that, in certain circumstances, a franchisee receive 90 days' notice of termination, cancellation, non-renewal or substantial change in competitive circumstances. The notice shall state all the reasons for termination, cancellation, non-renewal or substantial change in competitive circumstances and shall provide that the franchisee has 60 days in which to rectify any claimed deficiency and shall supersede the requirements of the Franchise Agreement to the extent they may be inconsistent with the Law's requirements. If the deficiency is rectified within 60 days the notice shall be void. The above-notice provisions shall not apply if the reason for termination, cancellation or nonrenewal is insolvency, the occurrence of an assignment for the benefit of creditors or bankruptcy. If the reason for termination, cancellation, nonrenewal or substantial change in competitive circumstances is nonpayment of sums due under the Franchise Agreement, you shall be entitled to written notice of such default, and shall have 10 days in which to remedy such default from the date of delivery or posting of such notice.

3. **GOVERNING LAW / FORUM FOR LITIGATION**. The following language is added to the end of Sections 17.1 (Governing Law) and 17.2 (Forum for Litigation) of the Franchise Agreement:

> SECTION 19-28.1-14 OF THE RHODE ISLAND FRANCHISE INVESTMENT ACT PROVIDES THAT "A PROVISION IN A FRANCHISE AGREEMENT RESTRICTING JURISDICTION TO A FORUM OUTSIDE THIS STATE OR REQUIRING THE APPLICATION OF THE LAWS OF ANOTHER STATE IS VOID WITH RESPECT TO A CLAIM OTHERWISE ENFORCEABLE UNDER THIS ACT." TO THE EXTENT REQUIRED BY APPLICABLE LAW, RHODE ISLAND LAW WILL APPLY TO CLAIMS ARISING UNDER THE RHODE ISLAND FRANCHISE INVESTMENT ACT.

IN WITNESS WHEREOF, each of the undersigned has executed this Addendum under seal as of the Effective Date.

FRANCHISOR:

HALLMARK HOMECARE, LLC.

By:_____
Name:_____Steven Everhart
Title:_____Manager

Date: _____

FRANCHISEE:

_____

By:_____
Name: _____
Title: _____

Date:_____

WASHINGTON ADDENDUM
TO FRANCHISE AGREEMENT AND RELATED AGREEMENTS

THIS ADDENDUM (this "**Addendum**") is made and entered into by and between Hallmark Homecare, LLC. (**"Franchisor"**), and _____ (**"Franchisee"**). In this Addendum, **"we," "us,"** and **"our"** refers to Franchisor. **"You"** and **"your"** refers to Franchisee.

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20___ (the "**Franchise Agreement**"). This Addendum is annexed to and forms part of the Franchise Agreement and any related agreements. This Addendum is being signed because (a) the Franchised Business that you will operate under the Franchise Agreement will be located in Washington; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Washington.

2. **WASHINGTON LAW**. The following paragraphs are added to the end of the Franchise Agreement and any related agreements:

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

b. 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.

c. 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.

d. 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.

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

f. 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.

g. 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.

h. Franchisees who receive financial incentives to refer franchise prospects to franchisors may be required to register as franchise brokers under the laws of Washington State.

IN WITNESS WHEREOF, each of the undersigned has executed this Addendum under seal as of the Effective Date.

FRANCHISOR:	**FRANCHISEE:**
HALLMARK HOMECARE, LLC.	_____
By:_____	By:_____
Name: Steven Everhart	Name: _____
Title: Manager	Title: _____
Date: _____	Date:_____

EXHIBIT G
TO THE FDD

FORM OF NONDISCLOSURE AND NONCOMPETE AGREEMENTS

NONDISCLOSURE AND NONCOMPETE AGREEMENT

This Agreement is dated [DATE]. The parties are [NAME OF FRANCHISEE] (referred to as **"we"**, **"us"**, and **"our"**), located at [ADDRESS], and [NAME OF MANAGEMENT EMPLOYEE OR OTHER INDIVIDUAL] (referred to as **"you"** and **"your"**). You are signing this Agreement in consideration of, and as a condition to, your association with us and the compensation and/or other payments or benefits you will receive directly or indirectly from us.

BACKGROUND

We are a franchisee of Hallmark Homecare, LLC. (**"HHL"**) under a Franchise Agreement dated [DATE] (the **"Franchise Agreement"**). We have a license to use certain trademarks designated by HHL (the **"Marks"**), certain policies and procedures used in Hallmark Homecare® businesses (the **"System"**), and the Confidential Information developed and owned by HHL in our Hallmark Homecare® business (the **"Business"**). HHL recognizes that, in order for us to effectively operate our business, our managers and certain other individuals must have access to certain confidential information and trade secrets owned by HHL. Disclosure of this confidential information and trade secrets to unauthorized persons, or its use for any purpose other than the operation of our business, would harm HHL, other franchise owners, and us. Accordingly, HHI requires us to have you to sign this Agreement.

AGREEMENT

1. Confidential Information. As used in this Agreement, **"Confidential Information"** means all operations and training manuals, trade secrets, know-how, methods, training materials, information, management procedures, and marketing and pricing techniques relating to the Business, the System, or HHL's business. In addition, Confidential Information includes all marketing plans, advertising plans, business plans, financial information, client or caregiver information, employee information, independent contractor information and other confidential information of HHL, HHL's affiliates, or us (collectively, the **"Interested Parties"**) that you obtain as a result of your association with us.

2. Nondisclosure. You agree not to use or disclose, or permit anyone else to use or disclose, any Confidential Information to anyone outside of our organization (other than the Interested Parties) and not to use any Confidential Information for any purpose, except, if applicable, to carry out your duties as our employee. You also agree not to claim any ownership in or rights to Confidential Information and not to challenge or contest any of the Interested Parties' ownership of it. These obligations apply both during and after your association with us.

3. Return of Confidential Information. If your association with us ends for any reason or upon our request, you must return to us all records described in Paragraph 1, all other Confidential Information, and any authorized or unauthorized copies of Confidential Information that you may have in your possession or control. You may not retain any Confidential Information after your association with us ends.

4. Noncompete During Association. You may not, during your association with us, without our prior written consent:

(a) own, manage, engage in, be employed by, advise, make loans to, lease to, or have any other interest in any service business offering companion care (each, a **"Competitive Business"**) at any location in the United States;

(b) divert or attempt to divert any actual or prospective business or client of the Business to any Competitive Business by direct or indirect inducement or otherwise; or

(c) perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

5. Noncompete After Association Ends. For two years after your association with us ends for any reason, you will be subject to the same restrictions as in Section 4 (Noncompete During Association), except the restrictions in Section 4(a) and 4(b) shall be geographically limited to any Competitive Business that is located within or operates within a 20-mile radius of the territory of the Business or any other Hallmark Homecare® business that is operating at the time of such separation.

6. Remedies. If you breach or threaten to breach this Agreement, you agree that we will be entitled to injunctive relief (without posting bond) as well as a suit for damages.

7. Severability. If any part of this Agreement is declared invalid for any reason, the invalidity will not affect the remaining provisions of this Agreement. If a court finds any provision of this Agreement to be unreasonable or unenforceable as written, you agree that the court can modify the provision to make it enforceable and that you will abide by the provision as modified.

8. Independent Agreement. The Agreement is independent of any other obligations between you and us. This means that it is enforceable even if you claim that we breached any other agreement, understanding, commitment or promise.

9. Third Party Right of Enforcement. You are signing this Agreement not only for our benefit, but also for the benefit of the other Interested Parties. Each of the Interested Parties shall have the right to enforce this Agreement directly against you.

10. Not an Employment Agreement. This is not an employment agreement. Nothing in this Agreement creates or should be taken as evidence of an agreement or understanding by us, express or implied, to continue your association with us for any specified period.

11. Modification and Waiver. Your obligations under this Agreement cannot be waived or modified except in writing.

12. Governing Law. This Agreement is governed by the laws of the state in which our principal office is located.

13. Attorneys' Fees. If we have to take legal action to enforce this Agreement, we will be entitled to recover from you all of our costs, including reasonable attorneys' fees, to the extent that we prevail on the merits.

14. Representation. You certify that you have read and fully understood this Agreement, and that you entered into it willingly.

WITNESS:	**YOU:**
_____	_____
Name: _____	Name: _____

NONDISCLOSURE AGREEMENT

This Agreement is dated [DATE]. The parties are [NAME OF FRANCHISEE] (referred to as **"we"**, **"us"**, and **"our"**), located at [ADDRESS], and [NAME OF RECIPIENT OF CONFIDENTIAL INFORMATION] (referred to as **"you"** and **"your"**). You are signing this Agreement in consideration of, and as a condition to, your association with us and the compensation, dividends, and/or other payments or benefits you will receive directly or indirectly from us.

BACKGROUND

We are a franchisee of Hallmark Homecare, LLC. (**"HHL"**) under a Franchise Agreement dated [DATE] (the **"Franchise Agreement"**). We have a license to use certain trademarks designated by HHL (the **"Marks"**), certain policies and procedures used in Hallmark Homecare® businesses (the **"System"**), and the Confidential Information developed and owned by HHL in our Hallmark Homecare® business (the **"Business"**). HHL recognizes that, in order for us to effectively operate our business, our managers and certain other individuals must have access to certain confidential information and trade secrets owned by HHL. Disclosure of this confidential information and trade secrets to unauthorized persons, or its use for any purpose other than the operation of our business, would harm HHL, other franchise owners, and us. Accordingly, HHL requires us to have you to sign this Agreement.

AGREEMENT

1. Confidential Information. As used in this Agreement, **"Confidential Information"** means all operations and training manuals, trade secrets, know-how, methods, training materials, information, management procedures, and marketing and pricing techniques relating to the Business, the Hallmark Homecare® System, or HHL's business. In addition, Confidential Information includes all marketing plans, advertising plans, business plans, financial information, client or caregiver information, employee information, independent contractor information and other confidential information of HHL, HHL's affiliates, or us (collectively, the **"Interested Parties"**) that you obtain as a result of your association with us.

2. Nondisclosure. You agree not to use or disclose, or permit anyone else to use or disclose, any Confidential Information to anyone outside of our organization (other than the Interested Parties) and not to use any Confidential Information for any purpose, except, if applicable, to carry out your duties as our employee or as an independent contractor to us. You also agree not to claim any ownership in or rights to Confidential Information and not to challenge or contest any of the Interested Parties' ownership of it. These obligations apply both during and after your association with us.

3. Return of Confidential Information. If your association with us ends for any reason or upon our request, you must return to us all records described in Paragraph 1, all other Confidential Information, and any authorized or unauthorized copies of Confidential Information that you may have in your possession or control. You may not retain any Confidential Information after your association with us ends.

4. Remedies. If you breach or threaten to breach this Agreement, you agree that we will be entitled to injunctive relief (without posting bond) as well as a suit for damages.

5. Severability. If any part of this Agreement is declared invalid for any reason, the invalidity will not affect the remaining provisions of this Agreement. If a court finds any provision of this Agreement to be unreasonable or unenforceable as written, you agree that the court can modify the provision to make it enforceable and that you will abide by the provision as modified.

6. Independent Agreement. The Agreement is independent of any other obligations between you and us. This means that it is enforceable even if you claim that we breached any other agreement, understanding, commitment or promise.

7. Third Party Right of Enforcement. You are signing this Agreement not only for our benefit, but also for the benefit of the other Interested Parties. Each of the Interested Parties have the right to enforce this Agreement directly against you.

8. Not An Employment Agreement. This is not an employment agreement. Nothing in this Agreement creates or should be taken as evidence of an agreement or understanding by us, express or implied, to continue your association with us for any specified period.

9. Modification and Waiver. Your obligations under this Agreement cannot be waived or modified except in writing.

10. Governing Law. This Agreement is governed by the laws of the state in which our principal office is located.

11. Attorneys' Fees. If we have to take legal action to enforce this Agreement, we will be entitled to recover from you all of our costs, including reasonable attorneys' fees, to the extent that we prevail on the merits.

12. Representation. You certify that you have read and fully understood this Agreement, and that you entered into it willingly.

WITNESS:	**YOU:**
_____	_____
Name: _____	Name: _____

EXHIBIT H
TO THE FDD

FORM OF GENERAL RELEASE

GENERAL RELEASE

THIS GENERAL RELEASE ("**Release**") is executed on _____ by _____ (**"Franchisee"**), _____ (**"Guarantors"**), _____ (**"Transferee"**) as a condition of **(1)** the transfer of the Franchise Agreement dated [month] [day], [year] between Hallmark Homecare, LLC. (**"HHL"**) and Franchisee (**"Franchise Agreement"**); or **(2)** the execution of a successor Franchise Agreement by Franchisee and HHL. (If this Release is executed under the conditions set forth in (2) above, all references in this Release to "Transferee" should be ignored.)

1. Release by Franchisee, Transferee, and Guarantors. Franchisee and Transferee (on behalf of themselves and their parents, subsidiaries, and affiliates and their respective past and present officers, directors, shareholders, managers, members, agents, and employees, in their corporate and individual capacities), and Guarantors (on behalf of themselves and their respective heirs, representatives, successors and assigns) (collectively, the **"Releasors"**) freely and without any influence forever release **(i)** HHL, **(ii)** HHL's past and present officers, directors, shareholders, managers, members, agents, and employees, in their corporate and individual capacities, and **(iii)** HHL's parent, subsidiaries, and affiliates and their respective past and present officers, directors, shareholders, managers, members, agents, and employees, in their corporate and individual capacities (collectively, the **"Released Parties"**), from any and all claims, debts, demands, liabilities, suits, judgments, and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively, **"Claims"**), which any Releasor ever owned or held, now owns or holds, or may in the future own or hold, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances and claims arising out of, or relating to, the Franchise Agreement and all other agreements between any Releasor and HHL or HHL's parent, subsidiaries, or affiliates, arising out of, or relating to any act, omission or event occurring on or before the date of this Release, unless prohibited by applicable law.

2. Risk of Changed Facts. Franchisee, Transferee, and Guarantors understand that the facts in respect of which the release in Section 1 is given may turn out to be different from the facts now known or believed by them to be true. Franchisee, Transferee, and Guarantors hereby accept and assume the risk of the facts turning out to be different and agree that the release in Section 1 shall nevertheless be effective in all respects and not subject to termination or rescission by virtue of any such difference in facts.

3. Covenant Not to Sue. Franchisee, Transferee, and Guarantors (on behalf of Releasors) covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any person or entity released under Section 1 with respect to any Claim released under Section 1.

4. No Prior Assignment and Competency. Franchisee, Transferee, and Guarantors represent and warrant that: **(i)** the Releasors are the sole owners of all Claims and rights released in Section 1 and that the Releasors have not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim released under Section 1; **(ii)** each Releasor has full and complete power and authority to execute this Release, and that the execution of this Release shall not violate the terms of any contract or agreement between them or any court order; and **(iii)** this Release has been voluntarily and knowingly executed after each of them has had the opportunity to consult with counsel of their own choice.

5. Complete Defense. Franchisee, Transferee, and Guarantors: **(i)** acknowledge that the release in Section 1 shall be a complete defense to any Claim released under Section 1; and **(ii)** consent to the entry of a temporary or permanent injunction to prevent or end the assertion of any such Claim.

6. Successors and Assigns. This Release will inure to the benefit of and bind the successors, assigns, heirs, and personal representatives of the Released Parties and each Releasor.

7. Counterparts. This Release may be executed in two or more counterparts (including by facsimile), each of which shall be deemed an original, and all of which shall constitute one and the same instrument.

8. Capitalized Terms. Any capitalized terms that are not defined in this Release shall have the meaning given them in the Franchise Agreement.

[THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK.]

IN WITNESS WHEREOF, Franchisee, Transferee, and Guarantors have executed this Release as of the date shown above.

FRANCHISEE:

By: _____

Print Name: _____

Title: _____

Date: _____

TRANSFEREE:

By: _____

Print Name: _____

Title: _____

Date: _____

GUARANTOR:

_____

Print Name: _____

Date: _____

GUARANTOR:

_____

Print Name: _____

Date: _____

State Effective Dates

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Hawaii	Pending
Illinois	n/a
Indiana	Pending
Maryland	n/a
Michigan	3/8/2026
Minnesota	Pending
New York	n/a
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	n/a
Wisconsin	Pending

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

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 Hallmark Homecare, LLC. ("**HHC**") offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Iowa requires that we provide you with this Disclosure Document at the earlier of the first personal meeting or 14 calendar days before you sign a binding agreement with, or make payment to, HHC or one of its affiliates in connection with the proposed sale. New York requires that HHC provide you with this Disclosure Document at the earlier of the first personal meeting or ten business days before you sign a binding agreement with, or make payment to, HHC or one of its affiliates in connection with the proposed sale. Michigan requires that HHC provide you with this Disclosure Document ten business days before you sign a binding agreement with, or make payment to, HHC or one of its affiliates in connection with the proposed sale.

If HHC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit D.

This franchise is being offered by the following sellers at the principal business address and phone number listed below (check all that have been involved in the sales process):

Sellers at Hallmark Homecare,LLC, 774 Mays Blvd, Suite 10-297 Incline Village, Nevada 89451, 888-519-2500			
☐ Steven Everhart	☐ _____	☐ _____	☐ _____
Sellers at FranchiseFastlane.com, 14707 California Street, #5 Omaha, Nebraska 68154, 531-333-3278			
☐ _____	☐ _____	☐ _____	☐ _____

HHC's registered agents authorized to receive service of process are set forth on Exhibit D.

Issuance Date: March 27, 2026

I received a disclosure document from HHC dated as of _____ that included the following Exhibits: A. List of Current and Former Franchisees; B. Financial Statements; C. Franchise Agreement; D. State Administrators/Agencies for Service of Process; E. Manuals Table of Contents; F. State-Specific Additional Disclosures and Riders; G. Form of Nondisclosure and Noncompete Agreements; and H. Form of General Release.

_____ Signature (individually and as an officer)

_____ Date Disclosure Document Received

_____ Print Name

TO BE KEPT FOR YOUR FILES

_____ Print Franchisee's Name (if an Entity)

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 Hallmark Homecare, LLC ("**HHC**") offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Iowa requires that we provide you with this Disclosure Document at the earlier of the first personal meeting or 14 calendar days before you sign a binding agreement with, or make payment to, HHC or one of its affiliates in connection with the proposed sale. New York requires that HHC provide you with this Disclosure Document at the earlier of the first personal meeting or ten business days before you sign a binding agreement with, or make payment to, HHC or one of its affiliates in connection with the proposed sale. Michigan requires that HHC provide you with this Disclosure Document ten business days before you sign a binding agreement with, or make payment to, HHC or one of its affiliates in connection with the proposed sale.

If HHC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit D.

This franchise is being offered by the following sellers at the principal business address and phone number listed below (check all that have been involved in the sales process):

Sellers at Hallmark Homecare, LLC, 774 Mays Blvd, Suite 10-297 Incline Village, Nevada 89451, 888-519-2500			
☐ Steven Everhart	☐ _____	☐ _____	☐ _____
Sellers at FranchiseFastlane.com, 14707 California Street, #5 Omaha, Nebraska 68154, 531-333-3278			
☐ _____	☐ _____	☐ _____	☐ _____

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_____
Signature (individually and as an officer)

_____
Date Disclosure Document Received

_____
Print Name

_____
Print Franchisee's Name (if an Entity)

TO BE RETURNED TO:
Hallmark Homecare, LLC.
774 Mays Blvd, Suite 10-297
Incline Village, Nevada