

## ADDITIONAL DISCLOSURES FOR THE MULTI-STATE FRANCHISE OFFERING CIRCULAR OF THE SENIOR'S CHOICE, INC

The following are additional disclosures for the Franchise Offering Circular of The Senior's Choice, Inc required by various state franchise laws. Each provision of these additional disclosures will not apply unless, with respect to that provision, the jurisdictional requirements of the applicable state franchise registration and disclosure law are met independently, without reference to these additional disclosures

## **CALIFORNIA**

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE OFFERING CIRCULAR

Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise

The California Business and Professions Code Sections 20000 to 20043 provide rights to franchisees concerning termination or nonrenewal of a franchise. If the Franchise Agreement contains any provisions that are inconsistent with the law, the law will control

The Franchise Agreement contains a restriction on competition which extends beyond the termination of the Franchise This provision may not be enforceable under California law

OUR WEBSITE, <u>WWW THESENIORSCHOICE COM</u> HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS AT <u>www corp ca gov</u>

The Franchise Agreement contains a liquidated damage clause, and under California Civil Code, Section 1671 certain liquidated damage clauses are unenforceable

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

Prospective franchisees are encourage to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040 5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The franchise agreement requires application of the laws of Nevada This provision may not be enforceable under California law



THE FRANCHISEE AGREEMENT REQUIRES YOU TO EXECUTE 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 VOIDS A WAIVER OF YOUR RIGHTS IN CERTAIN CIRCUMSTANCES UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CORPORATIONS CODE SECTION 31000-31516) BUSINESS AND PROCESSIONS CODE SECTION 20010 VOIDS A WAIVER OF YOUR RIGHTS IN CERTAIN CIRCUMSTANCES UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE SECTIONS 20000-20043)

Neither we nor any person or franchise broker disclosed in Item 2 of this Offering Circular 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 USCA Sections 78a et seq, suspending or expelling the person from membership in the association or exchange

## **ILLINOIS**

1 The "Summary" section of Item 17(v), entitled <u>Choice of forum</u>, is deleted and replaced with the following

Litigation must be in Illinois

The "Summary" section of Item 17(w), entitled <u>Choice of law</u>, is deleted and replaced with the following

Except for federal law, Illinois law controls

## **WASHINGTON**

The state of Washington has a statute, RCW 19 100 180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator



In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19 100 RCW shall prevail

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act 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, rights or remedies under the Act such as a right to a jury trial may not be enforceable

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

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