

30FRANCHISE DISCLOSURE DOCUMENT

ACTi-KARE

®

ActiKare, Inc.
a Florida corporation
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As an ACTIKARE® franchisee you will operate an In-Home Care Service Franchise Business which provides affordable companion services at a client's home. An ACTIKARE® In-Home Care Service franchise offers an effective alternative to clients who prefer to receive services in their own home instead of traveling to a facility.

The estimated total investment required to begin operation of an ACTIKARE® franchised business ranges from \$32,530, to \$57,550. This includes \$19,750 to \$39,750, depending on territory size, that must be paid to the franchisor or affiliate.

This disclosure document summarizes provisions of your Franchise Agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in the 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 Jessica Pisculli, Director of Operations at 15310 Amberly Drive, Suite 175, Tampa, Florida 33647, Telephone 813-319-9143, corporate@actikare.com.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising such as "[A Consumer 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, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance date: April 30~~1~~, 2023~~4~~, as amended September 10, 2023

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits 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 E & F.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit B includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only ActiKare business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be an ActiKare franchisee?	Item 20 or Exhibits E & F lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Florida. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Florida than in your own state.
2. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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.

**NOTICE REQUIRED FOR PROSPECTIVE FRANCHISEES
BY STATE OF MICHIGAN**

Section 445.1508(1) of the Michigan Franchise Investment Law requires franchisor to give you a copy of the Franchise Disclosure documents earlier of: (i) 10 business days prior to signing the Franchise Agreement; or (ii) 10 business days prior to franchisor's receipt of any consideration.

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, according to the Michigan Department of Attorney General, Consumer Protection Division (the "Division"), the provisions are void and cannot be enforced against you:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided by the Michigan Franchise Investment Law. 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 subsection does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside the State of Michigan. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from

exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

- (i) The failure of the proposed transferee to meet the franchisor's then **current** reasonable qualifications or standards.
- (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
- (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market value 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) above.

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

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

Any questions regarding this notice should be directed to:

Michigan Department of Attorney General
Consumer Protection Division
Franchise Section
525 West Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, Michigan 48913
(517) 373-7117

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EXHIBIT

Exhibit A	List of State Agencies/Agents for Service of Process
Exhibit B	Financial Statements
Exhibit C	Franchise Agreement
Exhibit D	Manual Table of Contents
Exhibit E	List of Franchise Owners
Exhibit F	List of Franchisees Who Have Left the System
Exhibit G	State Specific Addenda/Riders

APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT. THESE ADDITIONAL DISCLOSURES, IF ANY, APPEAR IN AN ADDENDUM OR RIDER.

ITEM 1

THE FRANCHISOR, AND ANY PARENT, PREDECESSORS AND AFFILIATES

The Franchisor is **ACTIKARE, INC.**, referred to as “we,” “us,” or “our.” We also do business under the name “**ACTI-KARE® IN-HOME CARE.**” “You” means a person who buys the right to operate an ACTIKARE® In-Home Care franchise from us. If you are a corporation, partnership or other entity, certain provisions of our Franchise Agreement also will apply to your owners. This Disclosure Document will indicate when your owners also are covered by a particular provision.

We are a Florida corporation, formed on September 5, 2007. Our current principal business address is 15310 Amberly Drive, Suite 175, Tampa, Florida 33647. We conduct business under our corporate name and under the trade and service marks “ACTIKARE® or ACTI-KARE®” and associated logos, designs, symbols and trade dress.

Our Predecessors and Affiliates

We have no parent or predecessors.

Our affiliate, Fast-Teks, Inc., a Florida corporation, was established June 25, 2004. Fast-Teks, Inc.’s principal business address is 15310 Amberly Drive, Suite 175, Tampa, Florida 33647. Fast-Teks, Inc.’s principal business is offering franchises under the trade name Fast-teks On-Site Computer Services, where technicians are matched with clients to provide on-site computer repair and services. Fast-Teks, Inc. ~~has been offering~~ franchises ~~since February~~ from 2005 ~~to 2012~~. Fast-Teks, Inc. has ~~21~~ franchises.

Our affiliate, Club Z!, Inc., a Florida corporation, was established on June 19, 1995. Club Z!, Inc.’s principal business address is 15310 Amberly Drive, Suite 175, Tampa, Florida 33647. Club Z!, Inc.’s principal business is offering franchises under the trade name Club Z! In-Home Tutoring Services, where certified teachers and degreed professionals are matched with students to provide high quality, one-on-one academic instruction and support. Club Z!, Inc. has been offering franchises since September 1998. Club Z!, Inc. has ~~368~~349 franchises.

Our affiliate, ML Capital Group, Inc., a Florida corporation, was established February 12, 2003. ML Capital Group, Inc.’s principal business address is 15310 Amberly Drive, Suite 175, Tampa, Florida 33647. ML Capital Group, Inc., operates five franchised ACTIKARE® business and under its Florida caregiver license provides certain support services to two Florida based ACTIKARE® franchises.

Except as provided above, our affiliates have not offered franchises in this or any other line of business. Except as provided above, we have no affiliates required to be disclosed in Item 1.

The principal business addresses of our agents for service of process are shown on Exhibit “A.”

ACTIKARE® In-Home Care System.

We have expended considerable time and effort developing a system for providing companion services and related merchandise and products (an “**ACTIKARE® In-Home Care Service**” or an “**ACTIKARE® Business**”). We use, promote and license in the operation of an ACTIKARE® Business, the service marks and trade name “ACTIKARE®” and other associated logos, designs, artwork and trade dress, trademarks, service marks, commercial symbols, and e-names, which have gained and continue to gain public acceptance and goodwill, and may create, use and license additional trademarks, service marks, e-names and commercial symbols in conjunction with the operation of ACTIKARE® Businesses (collectively, the “**Marks**”). ACTIKARE® Businesses operate under the Marks and under distinctive

business formats, methods, procedures, designs, layouts, signs, equipment, standards and specifications, all of which we may improve, further develop or otherwise modify from time to time (the "**System**").

In the ACTIKARE® System, our franchisees recruit qualified caregivers to perform services for clients. The System uses these qualified caregivers to deliver non-medical companion and personal care services to our clients in the comfort and familiarity of the client's home. Our programs assist individuals with such daily activities as meal preparation, errands, help paying bills, light housekeeping, transportation, pet care and other miscellaneous activities so that seniors and other individuals of need can keep enjoying the activities they love and equally important, maintain their independence. We assist you in operating your ACTIKARE® Business and design an on-going marketing program to reach potential customers within your protected territory. Generally, ACTIKARE® Businesses market to individuals 60 years of age and older.

Our Franchise Program.

In this Disclosure Document we grant to persons who meet our qualifications and who are willing to undertake the investment and effort, franchises for the right to own and operate an ACTIKARE® Business (the "**Franchise**") within a protected territory. Our current form of Franchise Agreement is attached as Exhibit "C."

Our Business.

We have been offering franchises since November 2007. We do not currently operate an ACTIKARE® In-Home Care business. As of the date of this Disclosure Document we have ~~441~~146 franchise locations. We do not engage in other business activities and have not offered franchises in other lines of business.

Competition.

You can expect to compete with other national and local businesses and sole proprietors performing similar services. The market for ACTIKARE® Businesses is developed in some areas and developing in other areas, depending on the number of this type of ACTIKARE® Businesses in the particular area.

Regulations.

There may be laws in your state that regulate this industry. Because the home care industry is a regulated industry, applicable fees for registration and licensing as well as additional requirements for staff, training, and operations vary from state to state and are subject to change. Please check with your state's Department of Health and Human Services and any other department that may regulate this industry in your state. Effective January 1, 2016 California franchisees must comply with the California Home Care Services Consumer Protection Act of 2013 (the "Act") and conform to the Licensure and Certificate requirements of the Home Care Services Bureau ("HCSB") See California Addendum attached to this Disclosure Document. You must comply with all local, state and federal laws that apply to ACTIKARE® Business operations. You will also be required to comply with workers' compensation, equal protection and workplace safety laws and regulations, including Title VII and the ADA.

ITEM 2

BUSINESS EXPERIENCE

Director and CEO: Mark Lucas

Mr. Lucas has been our Director and CEO since our inception in September 2007. Mr. Lucas has been Director and CEO of Fast-Teks, Inc. since formation in June 2004. Since 2003, Mr. Lucas has been the President of ML Capital Group, Inc., located in Tampa, Florida, and is a shareholder in ActiKare, Inc. and Fast-Teks, Inc. Mr. Lucas has been Director and CEO of Club Z! since January 2000. Mr. Lucas has been Director and CEO of Club Z! In-Home Tutoring Services, Inc. since February, 2019. [Mr. Lucas has been CEO of Sunshine Autism Center, Inc. located in Tampa, Florida since January, 2023. Mr. Lucas has been CEO of Sunshine Autism Center GA, Inc. located in Alpharetta, Georgia since May, 2023.](#)

Vice President: Cari Diaz

Mrs. Diaz has been our Vice President since April 2014. Mrs. Diaz was also our Director of Franchise Support from September 2007 to October 2015. From June 2010 to April 2014, Mrs. Diaz was our Vice President of Operations. Mrs. Diaz has been Vice President of Operations of Club Z!, Inc. since June 2011. Mrs. Diaz has been the Director of Franchise Support of Fast-Teks, Inc. in Tampa, Florida since July 2005. From January 2004 – July 2005, Mrs. Diaz was the Manager of the Sales Support Center for Club Z!. Mrs. Diaz has been the Director of Franchise Support of Club Z! , Inc. in Tampa, Florida since July 2005. From January 2004 – July 2005, Mrs. Diaz was the Manager of the Sales Support Center and Franchise Support for Fast-Teks.

Director, Secretary and Director of Operations: Jessica Pisculli

Mrs. Pisculli has been our Director of Operations since August 2018. Mrs. Pisculli was our Director of Franchise Development from September 2012 to August 2018. Mrs. Pisculli is also Director of Operations for our affiliate, Club Z!, Inc., located in Tampa, Florida since August 2018. Mrs. Pisculli was Director of Franchise Development of Club Z!, Inc. from September 2012 to August 2018. Mrs. Pisculli is also Director of Operations for our affiliate, Fast-Teks, Inc., located in Tampa, Florida, since August 2018. Mrs. Pisculli was Director of Development for Fast-Teks, Inc. from September 2012 to August 2018. Prior, Mrs. Pisculli held the following positions with Club Z!, Inc.: Executive Assistant from September 2007 to September 2012; Educational Director from September 2006 to September 2007; and Franchise Support from August 2005 to September 2006. In addition, Mrs. Pisculli was an Executive Assistant from September 2007 to September 2012 with ActiKare, Inc. [Ms. Pisculli has been Vice President of Sunshine Autism Center, Inc. located in Tampa, Florida since January, 2023. Ms. Pisculli has been Vice President of Sunshine Autism Center GA, Inc. located in Alpharetta, Georgia since May, 2023.](#)

Director of Business Operations: Eric Nelski

Mr. Nelski has been our Director of Business Operations since July 2018. From October 2015 to July 2018, Mr. Nelski was our Director of Franchise Support.

Director of Franchise Support: A. Elaine Lawson

Ms. Lawson has been our Director of Franchise Support since August 2018. From August 2017 to August 2018, Ms. Lawson was our Assistant Director of Franchise Support. From June 2015 to August

2017, Ms. Lawson was Care Coordinator for ActiKare Responsive In-Home Care franchise located in Tampa Florida.

ITEM 3 LITIGATION

No litigation is required to be disclosed in this item.

ITEM 4 BANKRUPTCY

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

ITEM 5 INITIAL FEES

Your initial franchise fee varies depending on the population of the territory as follows:

Franchise Fee	Population Up To:
\$19,750	100,000
\$27,250	150,000
\$39,750	250,000

You must pay the initial franchise fee in a lump sum when you sign the Franchise Agreement. In consideration for this Initial Franchise Fee, we grant you a franchise to operate an ACTIKARE® Business in a protected territory, provide you with initial training, and furnish you with the Franchise Package, described in the Franchise Agreement.

You pay us or our affiliates no other fees or payments for services or goods before your business opens.

ITEM 6 OTHER FEES

Type of Fee¹	Amount	Due Date	Remarks
Royalty/Support Fee ¹	The greater of: 5%-3% of Gross Sales ² or: (a) \$450 per month for up to 100,000 population; (b) \$550 per month for up to 150,000 population; or (c) \$550 per month for up to 250,000 population ³	Payable by the 10 th day of each month	See Note 3 below. You agree to pay any tax imposed by the state in which your ACTIKARE® Business is located if such tax is imposed on royalty fees or other payments made to us.

Type of Fee ¹	Amount	Due Date	Remarks
Advertising Fund ¹	The greater of: 2% of Gross Sales ² or \$50 per month	Payable by the 10 th day of each month	The Advertising Fund fee will commence upon completion of training, or your receipt of your state-required license, whichever is later. You agree to pay any tax imposed by the state in which your ACTIKARE® Business is located if such tax is imposed on royalty fees or other payments made to us.
ActiKare Business Package	\$250-\$300 per month	Payable on the 1 st day of each month	Beginning upon completion of training or your receipt of your state-required license, whichever is later, \$250 must be paid directly to us for call center services/appointment setting services, cold calling potential business partners on your behalf, live chat services, and a customized Website. This fee will increase to \$300 your third year in business and remain at \$300 for the remainder of your Franchise Agreement. Payment will be made monthly by automatic debit to your credit card.
<u>Virtual one-on-one on-line classroom training</u>	<u>\$1,500</u>	<u>Payable at the time of your request</u>	<u>Onsite classroom training is included with your Franchise Fee; only if you request Virtual on-line training is the fee charged</u>
Late Fees ¹	\$100 initial fee, plus 1.67%, or the maximum interest rate permitted by state law if less, of the amount due for each day after the due date.	As incurred	Payable only when the Royalty/Support Fee and Advertising Fund fee are not received by the 10 th of the month.
Scheduling Software ⁴	Average of \$130-\$200 per month	Payable 30 days prior to training	Payable to a third party designated by us; cost is based on actual number of active clients.
Virtual Business Telephone Number, Web Hosting and Email Account ⁵	\$50 per month	Payable on the 1 st day of each month	You agree to pay any tax imposed by the state in which your ACTIKARE® Business is located if such tax is imposed on Software fees or other payments made to us. This fee is payable the first month starting after the execution of the Franchise Agreement. Payment shall be made monthly by automatic debit to your credit card.

Type of Fee ¹	Amount	Due Date	Remarks
Training of Transferee	\$3,000	Prior to consummation of transfer	Payable when the Franchise is transferred. We reserve the right to increase this fee based on our current rates for similar services.
Conference Fee	\$50 - \$295	Prior to Conference	From time to time, throughout the term of your Franchise Agreement, we will host a national or regional conference and charge you a Conference Fee not to exceed \$295 per person, whether or not you attend. We encourage you to attend, but you are not required to do so. The conference will be held at a specific location, as we designate. If you attend you will have to pay travel, food and lodging for you and any employees you may bring.
Transfer	\$2,000	Prior to consummation of transfer	Payable when the Franchise is transferred.
Early Termination Fee	Will vary under circumstances	At the time of your request	If you request early termination of your Franchise Agreement without providing the required 180 days written notice. Amount due will be equal to 180 days of your minimum Royalty and Advertising Fund Fees.
Renewal Fee	\$250	At time of renewal	New franchise agreement, which may have different terms or conditions, must be signed by you and us.
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	Payable upon your failure to comply with the Franchise Agreement.
Indemnification	Will vary under circumstances	As incurred	You have to reimburse us if we are held liable for claims arising from your ACTIKARE® Franchised Business's operations.

1. All fees are imposed by and payable to us except as noted above. All fees are non-refundable. All fees are uniformly imposed. Maximum interest permitted in California is 10% annually. You agree to provide authorization for your credit card to be automatically charged by us for your monthly Royalty/Support Fee and Ad Fund Fees. If the credit card you provided is declined and not replaced within forty-eight hours of notice, you will be subject to a late fee. At our option we may require any or all fees due to us to be paid by automatic debit / Electronic Funds Transfer (EFT). If we require you to pay your fees by EFT, you must authorize your bank to accept automatic withdrawals for all fees to owed to us from your bank into our bank account when due. You must provide us with all documents necessary to direct your bank to honor these pre-authorized bank debits.

2. "Gross Sales" shall mean the gross receipts of every kind and nature for sales of all products and services made in, upon, from or through operation of the Franchised Business, and income of every other kind and nature related to the Franchised Business, whether for products, services, exchange, credit, cash, or check regardless whether such sale is conducted in compliance with or in violation of the terms of your Agreement. Gross Sales shall not include the amount of refunds, tax collections, or allowances or discounts to customers.

3. Royalty/Support Fees based on Monthly Gross Sales are as follows:

<u>Monthly Gross Sales</u>	<u>Royalty/Support Fee</u>
\$25,000 or less	5% of Gross Sales;
\$25,001 - \$50,000	4% of Gross Sales between \$25,001 - \$50,000;
\$50,001 or higher	T3% of all Gross Sales over \$50,000.

Starting the month following completion of training or issuance of your receipt of your state-required license, whichever is later, the Royalty/Support fees and the monthly minimum royalty fees are due and continue for the term of your Franchise Agreement. Thereafter the minimum royalty fee will be collected according the table above based on Territory Population of your Franchise Business (\$450 or \$550). However, in any month your percentage of monthly gross sales exceeds the monthly minimum royalty, the full monthly Royalty/Support Fee is due.

4. You are required to use a scheduling software, provided by a third party designated by us, to streamline client and employee management, scheduling, billing and payroll.

5. We will provide you with a local business telephone number, Web Hosting and one Email Account. Additional email accounts are available for \$120 per account annually.

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ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method Of Payment	When Due	To Whom Payment is to be made
Initial Franchise Fee (1)	\$19,750 - \$39,750	Lump Sum	Upon signing Franchise Agreement	Us
Travel and Living Expenses during Training (2)	\$1,000 - \$1,500	As incurred	As incurred	Third Parties
Miscellaneous Opening Costs (3)	\$500	As agreed	As incurred	Third Parties
Computer and other Equipment, Supplies	\$550 - \$1,200	As agreed	As incurred	Third Parties
Insurance (5)	\$700 - \$1,500	As agreed	As incurred	Third Parties
Scheduling Software (6)	\$130- \$200	As agreed	Monthly	Third Party
Business Telephone Number, Web Hosting and Email Account (7) (3 months)	\$150	As agreed	Monthly	Us
ActiKare Business Package (8) (3 months)	\$750	Lump Sum	Monthly	Us
Initial Launch Advertising (9) (4 months)	\$6,000	As agreed	Monthly	Us
Additional Funds – 3 months (10)	\$3,000 - \$6,000	As agreed	As incurred	Third Parties
TOTAL (EXCLUDING REAL ESTATE) COSTS) (4) (8)	\$32,530 - \$57,550			

Explanatory Notes

1. The franchise fee is: (a) \$19,750 for up to 100,000 population territory; (b) \$27,250 for up to 150,000 population territory; or (c) \$39,750 for up to 250,000 population territory.
2. We provide initial training to you and 2 other people without charge, but you are responsible for all travel and living expenses. This estimate is for 3 people.
3. This item estimates your initial start-up expenses. These expenses include payroll costs. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on factors such as: how much you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; and the sales level reached during the initial period.
4. We do not estimate any real estate or office space costs. They vary dramatically based on numerous factors. We presume you will operate your ACTIKARE® Franchised Business from your home.
5. We require franchise owners to carry one million dollars in General Liability and one million dollars in Professional Liability coverage naming us as an additional insured.
6. You are required to use a scheduling software, provided by a third party designated by us, to streamline client and employee management, scheduling, billing and payroll. Cost is based on number of active clients and is payable directly to the third party. We will provide you with a local business telephone number, Web Hosting and Email Account.
7. We will provide and you will utilize a virtual local business telephone number exclusively for advertising and marketing your franchise business, web hosting, and an email account. This fee will begin the first month from the date of the Franchise Agreement. As further described in Item 11, this fee increases beginning in your third year of business.
8. You are required to pay us each month for marketing services which we will execute on your behalf, including call center services/appointment setting services, cold calling potential business partners on your behalf, live chat services during business hours, and a customized Website (your "Sitelet"). These services are only offered as a bundle and may not be purchased separately or pro-rated based on usage. Similar services or products may be substituted and/or replaced at any time, and at our sole discretion.
9. Beginning upon completion of training or issuance of your state-required license, whichever is later, during your first 4 months of business, \$1,500 must be paid directly to us each month for marketing services which we will execute on your behalf for your territory. We recommend 30 days prior to training or issuance of your required state license, you initiate Initial Launch Advertising, but you are not required to do so.
10. We relied on our experience to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. We do not offer financing directly or indirectly for any part of the initial investment for your ACTIKARE® Franchised Business. The availability and terms of financing will depend on factors such as the availability of financing generally, your creditworthiness, collateral you may have and lending policies of financial institutions from which you may request a loan. All payments to us are non-refundable. Any refund of payments made to various vendors will depend on the terms you arrange with those vendors.

ITEM 8 RESTRICTIONS ON SOURCES

The following table summarizes the approximate percentages of your purchases of equipment and supplies through sourcing restrictions, based on the nature of the restriction.

REQUIRED PURCHASES FROM US	REQUIRED PURCHASES FROM APPROVED SUPPLIERS	REQUIRED PURCHASES IN ACCORDANCE WITH OUR SPECIFICATIONS AND STANDARDS
Establishment – 2%	Establishment 2%	Establishment – 2%
Operation – 2% - 10%	Operation – 2% - 10%	Operation – 2% - 10%

You are not currently required to purchase any equipment or supplies from us, approved suppliers or according to our specifications and standards. We will furnish you with an initial supply of brochures and other trademarked materials. You may purchase equipment, supplies, and inventory items under specifications in the Operations Manual from suppliers approved by us. We do not make our criteria for vendor/supplier approval available to our franchisees.

Our specifications for equipment, supplies and inventory items have been designed to minimize costs and to create consistency throughout the ACTIKARE ® System. Those specifications include standards for performance, competitive cost, quality, availability, compatibility, and the supplier or manufacturer's service and credit history. To the extent we designate vendors/suppliers and you wish to purchase goods or supplies from a vendor/supplier not on our approved list, you or the supplier must request our approval in writing. We will then examine the vendor or supplier, which examination may include a review of product specifications, actual testing or review of their product, inquiries as to general reputation and reliability, and all such other factors as we deem important. You or the supplier are not required to pay costs of our examination. We must respond to the request in writing within 30 days. Such response may indicate that we need additional time to complete our review. If we do not approve your request, we must tell you why. If we give approval, our specifications and standards will be given to the vendor/supplier and they will be added to our approved list for you and all other franchisees.

We continually monitor and evaluate all approved suppliers and vendors based on our experience and that of our franchisees. We will discontinue the use of any vendor or supplier that fails to consistently meet quality control standards, conform to our specifications or meet the needs of our franchisees.

We are the exclusive vendor for our Launch Advertising, ACTIKARE ® Business Package, Software, Virtual Business Telephone Number, Web Hosting and Email Account. We are also a vendor for all trademarked materials. However, you may use any vendor you choose if they can produce our trademarked materials to our specifications and are approved by our office. Except for trademarked items, there are currently no other items or services for which we or our affiliates are approved suppliers or the only approved suppliers.

You can purchase additional supplies, but you are not required to do so. We do derive revenue from your purchase of our Support Services and trademarked material. We mark up these materials approximately 10% to 12% to cover handling costs. As of our fiscal year end December 31, 2022, we realized \$6,088,926,142.83 in revenue from your purchases which accounted for approximately 0.3029% of our total revenues of \$2,029,6402,083,762.

Other than the trademarked material described above, there are no approved suppliers in which any of our officers owns an interest.

Computer Hardware and Software.

We do not require you to purchase a computer or any standard software (Microsoft Office) from any particular vendor. We do not require you to purchase a new computer, however you are required to own a computer for your ACTIKARE® Business

We require that you use QuickBooks by Intuit, Inc. as your accounting software.

We require that you use a scheduling software provided by a 3rd party vendor designated by us. We reserve the right to require you to use certain scheduling, tracking and reporting software to operate your Franchised Business, and this requirement may change over time. We will provide you with at least 90 days' notice of any change to your required software.

Miscellaneous.

Except as described above, we currently derive no revenue or other material consideration as a result of required purchases or leases. There currently are no purchasing or distribution cooperatives. We do not currently negotiate purchase arrangements with suppliers for the benefit of franchisees but we may do so in the future.

We restrict, designate, and have the right to approve, or control all of your digital, electronic and social media, and Internet activity. You shall not establish or operate a web site on the Internet using any domain name containing the words ActiKare.com, .net, .biz, .org or any variation, without our prior written permission. You may not create, maintain or operate any blogs, Internet web sites or other online activities advertising, promoting or discussing the services of the ACTIKARE® Business, any competitive business or any in-home care or in-home care-related business, including the sending of bulk e-mail ~~or facsimiles~~, other than in accordance with our Manuals or as we otherwise specify in writing. You shall, within 48 hours of a demand to do so by us, dismantle and/or deactivate any frames and/or links between your web pages and any other web sites or violating domains or any other items appearing on the Internet or elsewhere in violation of our policies and procedures.

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Disclosure Document Item
(a) Site selection and acquisition/lease	Not Applicable	Item 12
(b) Pre-opening purchases/leases	Section 1	Items 5, 6, 7, 8, 11 and 16
(c) Site development and other pre-opening requirements	Sections 4, 6 and 7	Items 6, 7 and 11
(d) Initial and ongoing training	Section 4	Item 11
(e) Opening	Sections 4 and 11	Item 11
(f) Fees	Sections 1, 2, 5 and 13	Items 5, 6 and 7

Obligation	Section in Franchise Agreement	Disclosure Document Item
(g) Compliance with standards and policies/Operating Manual	Sections 6 and 7	Item 11
(h) Trademarks and proprietary information	Sections 7, 8 and 16	Items 13 and 14
(i) Restrictions on products/services offered	Section 6	Item 16
(j) Warranty and customer service requirements	Not Applicable	Not Applicable
(k) Territorial development and sales quotas	Not Applicable	Not Applicable
(l) On-going product/service purchases	Sections 6 and 7	Item 8
(m) Maintenance, appearance and remodeling requirements	Not Applicable	Not Applicable
(n) Insurance	Section 6	Item 7
(o) Advertising	Sections 6 and 7	Items 6, 7 and 11
(p) Indemnification	Section 6	Item 6
(q) Owner's participation/management/staffing	Section 8	Items 11 and 15
(r) Records and reports	Sections 10 and 14	Item 11
(s) Inspections and audits	Sections 7 and 14	Item 6
(t) Transfer	Sections 5, 12 and 13	Items 6 and 17
(u) Renewal	Section 5 and 9	Items 6 and 17
(v) Post-termination obligations	Section 12	Item 17
(w) Non-competition covenants	Sections 8 and 12	Item 17
(x) Dispute resolution	Sections 17 and 19	Item 17

ITEM 10 FINANCING

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

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

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

Pre-Opening Obligations: Before you open the ACTIKARE® Business, we will:

1. Provide you with the Franchise Package. (Franchise Agreement – Section 1)

2. Loan you one copy of each of our Manuals (Franchisee Manual and Marketing Plan). (Franchise Agreement - Section 7)

3. Train you and 2 other people. (Franchise Agreement - Section 4) This training is described in detail later in this Item.

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

1. Provide unlimited telephone support during business hours. (Franchise Agreement - Section 4)

2. Hold conference calls to discuss sales techniques, bookkeeping, performance standards and advertising programs. (Franchise Agreement – Section 4)

3. Loan you one copy of each of our Manuals (Franchisee Manual and Marketing Plan), consisting of such materials for use in operating ACTIKARE® Businesses. The Manuals contain mandatory and suggested specifications, standards, operating procedures and rules (“**System Standards**”) that we prescribe from time to time for operation of an ACTIKARE® Business and information relating to your other obligations under the Franchise Agreement and related agreements. The Manuals may be modified, updated and revised periodically to reflect changes in System Standards. (Franchise Agreement - Section 7)

4. Issue, modify and supplement System Standards for ACTIKARE® businesses. We may periodically modify System Standards, which may accommodate regional or local variations as we determine, and these modifications may obligate you to invest additional capital in the ACTIKARE® Business and/or incur higher operating costs. However, these modifications will not alter your fundamental status and rights under the Agreement. (Franchise Agreement -Section 7)

5. Maintain an Internet Website that will include a list of all ACTIKARE® locations that are in good standing with us. Our Website will have a link to your customized Website Page (your “Sitelet”). Your Sitelet will include information relating to your specific business location and select content that we provide from our website. Your Sitelet will also showcase the ACTIKARE® Services and products. By posting or submitting to us information or materials for the ACTIKARE® Internet Website, you are representing to us that the information and materials are accurate and not misleading and do not infringe any third party’s rights. You must notify us whenever any information about you or the Franchise Business on the ACTIKARE® Internet Website changes or is not accurate. You may not establish or maintain any other Website without our prior written approval. We reserve the right to change the requirements relating to your Sitelet at any time. (Franchise Agreement- Section 5)

6. Provide you with an Email account for your business.

Advertising Fund.

We have established and administer an Advertising Fund for the creation and development of marketing, advertising and related programs and materials on a system-wide basis. Upon completion of your training, or issuance of your receipt of your state-required license, whichever is later, you must contribute 2% of your Gross Sales or \$50.00 a month, whichever is greater, to the Advertising Fund. The advertising fee is non-refundable. (Franchise Agreement Section 5(b)) (See Items 6, 8 and 9) The Advertising Fund is administered by our Officers.

The Advertising Fund prepares income and expense statements at least once each calendar quarter, and at such time as is practical, the entire fund will be audited annually. Income and expense statements and audit results, as prepared, are available to any franchisee upon written request. Although the Fund is intended to remain in existence, we reserve the right to terminate the Fund only after all monies have been spent for advertising and promotion.

The Advertising Fund develops and places advertising for the ACTIKARE® System; decides whether to use advertising agencies and which ones; and decides which media to use, which may include print, radio, television, or direct mail. It may also include further development of a national web site. You are prohibited from producing any website for use with the Franchised Business unless specific written permission is given by us.

All franchisees contribute to the Advertising Fund on the same basis, and the expenditure of funds will be limited to advertising, promoting and marketing the goods and services offered by the ACTIKARE® System. Franchisees who are not yet contributing to the Advertising Fund may be excluded from receiving benefits from the activities of the Advertising Funds. No portion of the Advertising Funds will be used to sell franchises. We receive reimbursement from the Fund for our advertising related administrative costs, indirect expenses and subsidizing costs. The Advertising Fund's operating rules and guidelines will be determined by our Officers. In our most recent fiscal year, 2022²³, we spent the Advertising Fund as follows: Co-op Advertising 28³⁰%, Merchant Services 33%, lead advertising 46⁴⁷%, Website Development 4²%, Internet Marketing 45¹²%, Art Department 65%, and Miscellaneous 4¹%, totaling 100% of the total funds collected. Excess funds not spent in any given fiscal year will be carried forward to the next fiscal year.

We will spend funds to benefit the ACTIKARE® Franchise System. This does not mean, however, that expenditures in your territory will be equivalent or proportionate to your contribution. In 2022²³, we placed additional national advertising at our own expense equal to 2% of that year's Advertising Fund, but are not obligated to do so in the future.

You may develop your own advertising materials provided they are submitted to us in advance for review and approval. We recommend you spend a minimum of \$1,000 every month on approved local paid advertising within your territory.

We do not have the power to require cooperatives to be formed, changed, dissolved or merged.

We restrict, designate, and have the right to approve, or control all of your electronic media, including Internet.

You will receive a virtual telephone number from us that will serve as your official ACTIKARE telephone number to be used exclusively for advertising and marketing to the public. (Franchise Agreement – Section 6)

You agree that upon termination, transfer, or expiration of your Franchise Agreement, you will immediately remove all advertising that you control and notify all advertising sources that your advertising must be removed and/or canceled immediately. For advertising that cannot be immediately canceled, you are responsible for any and all costs related to such advertising until such time as it can be canceled or it expires. You will cooperate with us in the removal of all iInternet listings that may arise, for up to 12 months after termination, transfer or expiration of your Agreement.

Initial 4 Month Launch Advertising

Beginning upon completion of training or issuance of your state-required license, whichever is later, during your first 4 months of business, you must pay us directly \$1,500 each month for initial launch advertising and marketing services which we will execute on your behalf for your territory. You agree to provide authorization for your credit card to be automatically charged by us on the first day of each month during this 4 month period.

ActiKare Business Package.

Beginning upon receipt of training or state-required license, whichever is later, and continuing for 24 months, \$250 must be paid directly to us each month for call center services/cold calling/appointment setting services, cold calling potential business partners on your behalf, live chat services, and a customized Website. This fee will increase to \$300 your third year in business and remain at \$300 for the remainder of your Franchise Agreement. Payment will be made monthly by automatic debit to your credit card.

Hardware and Software Requirements.

You must have a computer to operate your ACTIKARE® Franchised Business. Currently we do not require you to use any specific brand of computer hardware. You are required to have Microsoft Word, Microsoft Excel, Microsoft Outlook, QuickBooks, and Internet Explorer on your computer in order to access our website. Although not required, we do highly recommend a broadband connection for your computer. You may purchase the hardware and software from any source. The computer is not proprietary and does not require a maintenance or service agreement. You are responsible for purchasing and arranging delivery of this equipment with the vendor. The computer system manages your sales activities and general business operations. We estimate the cost of a computer system to be \$500 - \$1,000.

You are required to use a scheduling software, provided by a third party designated and administered by us, to streamline processes in four major areas: client and employee management, scheduling, billing, and payroll. The cost is based on the number of active clients and typically ranges between \$130 and \$200 per month. The management aspect of the software will allow you to manage contact information, schedules, plan of care, skills and certifications, etc. The scheduling feature will allow you to assign employees to clients according to geographic location, needs, schedules and personality types. The scheduling software will allow you to invoice clients based on the confirmed visits made to the client's home. The software will also allow franchise owners to print various reports.

Employment Policies

Any materials, guidance or assistance that we provide concerning the terms and conditions of employment for your employees, employee hiring, firing and discipline, and similar employment-related policies or procedures, whether in the Operations Manual or otherwise, are solely for your optional consideration and use. Those materials, guidance and assistance do not form part of the mandatory System Standards. You will determine to what extent, if any, these materials, guidance or assistance should apply to your employees.

You will have responsibility for your employees and all acts of your employees, and all employment-related decisions involving wages, benefits, hours of work, scheduling, hiring, firing, discipline, supervision, record keeping, taxes and withholdings ~~income tax~~, social security contributions, Medicare contributions, unemployment fund contributions and all other terms and conditions of employment.

We do not exercise control and do not have the authority to control any of the essential terms and conditions of your employees' employment with you listed below:

(1) Wages, benefits, and other compensation; (2) Hours of work and scheduling; (3) The assignment of duties to be performed; (4) The supervision of the performance of duties; (5) Work rules and directions governing the manner, means, and methods of the performance of duties and the grounds for discipline; (6) The tenure of employment, including hiring and discharge; and (7) Working conditions related to the safety and health of your employees.

You must disclose to each of your employees in writing, in a form approved by us in advance, that you are the sole employer with total control over the terms and conditions of your employee's employment and that we are not a "joint employer" of your employees and that we do not control your personnel policies.

You will be charged a monthly fee of \$50 for your business telephone number, Web Hosting and your email account beginning the first month from the date you sign your Franchise Agreement.

We reserve the right to require you, at your expense and in the time frame determined by us, to update or upgrade the hardware and/or software you use to conform to new standards or specifications and we have no limitations on our ability to do so. However, we do not request the right to remotely access information and data maintained on the computer system.

We do not anticipate that you will incur any annual costs for computer update, upgrade, support contracts or maintenance costs, unless you choose to do so.

Time To Opening.

We estimate that there will be an interval of 90 - 180 days between the signing of the Franchise Agreement and the opening of the ACTIKARE® Business, but the interval may vary based upon such factors as, the delivery schedule for the initial Franchise Package, delays in securing financing arrangements and completing training and your compliance with local laws and regulations. You may not open the ACTIKARE® Business for business until: (1) our pre-opening training has been completed to our satisfaction; (2) you submit proof of insurance in the amounts required under the Franchise Agreement, and (3) you comply with any required state or local registrations or licensing requirements.

If your ACTIKARE® Business will operate in a state that does not require that you secure a license prior to opening, you must complete training and open your Business within 90 days of signing your Franchise Agreement or we may terminate your Franchise Agreement.

If your ACTIKARE® Business will operate in a state that requires your licensure prior to opening, you must apply for your license within thirty (30) days of signing your Franchise Agreement; and complete training within 30 days of license approval, or 180 days of signing your Franchise Agreement or we may terminate your Franchise Agreement.

Training.

You must attend and successfully complete the initial training program that we provide to franchisees (the “**Initial Training**”). We may extend the Initial Training for anyone who fails to successfully complete the program, but you must attend and successfully complete the program within 180 days of signing your Franchise Agreement, or within 60 days of your receipt of your state-required license, whichever comes first; or we may terminate your Franchise Agreement.

The Initial Training Program consists of 10 hours Web-based Pre-training and Post-training and approximately 2-3 days of Corporate Training which is presently conducted at our headquarters in Tampa, Florida, on-line or at another mutually agreed upon location (*additional fees to reimburse us for our costs will apply*). Training programs are scheduled and run as needed. You may not open your business until you have completed on-site and mandatory pre and post launch training. Upon your request, if you choose not to attend our on-site classroom training, we will make available to you and you must attend our virtual one-on-one on-line classroom training. There is no charge for the Initial Training for you and 2 other people. You are responsible for your compensation, travel, lodging and living expenses incurred in connection with your attendance at any training program. Any person attending training is required to execute our current confidentiality agreement (if not named on the Franchise Agreement).

The Web-based training is a 10 hour self-paced program conducted through the Internet. The time to complete the Web-based training varies depending on how much time you can devote to training and how quickly you are able to absorb the materials. We expect this aspect of your training to take you 2 to 4 weeks to complete. The instructional material used in the Web-based training is our confidential operations manual and the Internet.

Currently our Initial Training consists of the following:

TRAINING PROGRAM			
Subject	Hours of Classroom Training	Hours of On The Job Training	Location
Business Setup Module	2	N/A	Web-based
Introduction to ACTIKARE, Inc.	3	N/A	Web-based
The ACTIKARE® Core Training	2	N/A	Tampa, FL
Caregivers	3	N/A	Tampa, FL
Marketing and Advertising	12		Tampa, FL/ Web-based
Clients	6	N/A	Tampa, FL
Miscellaneous	2	N/A	Tampa, FL/ Web-based
TOTAL	30 Hours		

1. It is the nature of the ACTIKARE® business that all aspects of training are integrated, that is, there are no definitive starting and stopping times.

2. Although the individuals instructing the training may vary, all of our instructors have at least three years of relevant work experience in their designated subject area. In addition, we conduct optional training programs and conference. If you participate you must pay the costs and expenses for yourself and anyone attending with you. We may charge for optional training programs.

We will hold conferences, either telephonically or electronically, to discuss sales techniques, bookkeeping, performance standards, advertising programs and other topics we feel may be appropriate. These calls cover important information, including but not limited to changes in System Standards which are mandatory to remain in compliance with your Franchise Agreement. From time to time we may host in-person conferences and you will be required to pay the then current participation fee; however, your attendance is optional.

~~You will have sole responsibility for your employees and all acts of your employees, and all employment related decisions involving wages, benefits, hours of work, scheduling, hiring, firing, discipline, supervision, record keeping, withholding income tax, social security contributions, Medicare contributions, unemployment fund contributions and all other terms and conditions of employment. You must disclose to each of your employees in writing, in a form approved by us in advance, that we are not a "joint employer" of your employees and that we do not control your personnel policies.~~

Following the initial phase of in-person training, you will be assigned to a dedicated support team from our corporate office to assist you in completing two additional phases of pre-opening training. This assistance includes but is not limited to rate setting, establishing an advertising and marketing campaign,

caretaker recruitment and staffing, role playing and setting up back-office functions. Following successful completion of these training modules, you will be granted approval to market and accept clients. During this phase, you will submit applicable documentation to your dedicated support specialist to confirm that you are operating within our System Standards and meeting expectations for all ACTIKARE® franchisees.

Operations Manual.

The table of contents of our Manual is specified in Exhibit “D.”

ITEM 12 TERRITORY

The franchise is granted for a specific protected territory consisting of a population of 100,000 to not more than 250,000 (the “**Territory**”). As long as you are in compliance with the Franchise Agreement, you will receive an exclusive Territory. We will not grant a franchise for, nor operate for ourselves, an ACTIKARE® business within your Territory. However, if you fail to satisfy the terms and conditions in the Franchise Agreement, we may develop the ACTIKARE® System and business in your Territory.

You may operate your ACTIKARE® business office from your home or a commercial site, however you are not permitted to perform any customer services from your business office or any retail or commercial site without our written permission, which we can withhold at our sole discretion. If you do not have a commercial site within your protected territory, you must get a virtual address within your protected territory to use for [Internet](#) advertising.

You are also not permitted to operate a business office or perform services at any location or home that is situated outside of your Territory without our written permission. Permission will not be unreasonably withheld. If we grant you permission, you must enter into a written agreement with us which addresses specific terms, policies and procedures. (See Rider A to the Franchise Agreement). If you service a client outside of your protected Territory, without our written permission, you agree to forfeit all of your gross sales for that client to us or someone we designate.

Other than your right to operate the ACTIKARE® Business in your Territory, we do not grant you any territorial or other rights whatsoever. We may establish other ACTIKARE® businesses (franchised or owned by us) anywhere outside of the Territory that may compete with your location.

You have no right to acquire additional territory within your Market or contiguous territories; however, additional territories may be purchased with the approval of our Executive Committee.

There is no minimum sales quota. You maintain your rights to your area as long as you abide by your Franchise Agreement. We may not alter your exclusive area without your consent.

Rights We Retain: Nevertheless, we retain the right, on behalf of ourselves or through affiliates, in our discretion, and without granting any rights to you, to:

- (i) solicit prospective franchisees and grant franchises or other rights to operate ACTIKARE® businesses through national or regional advertising, trade shows or conventions or through e-commerce or similar means for individuals to operate

ACTIKARE® businesses (franchises will not be granted to operate within your Territory);

- (ii) solicit prospective franchisees for, and own and operate, businesses and ACTIKARE® businesses of any other kind or nature, anywhere;
- (iii) conduct or assign any ACTIKARE® business within your Territory that you refuse to perform, you are unable to perform or while you are in default of your Franchise Agreement;
- (iv) conduct services through any government program ("Program"). If we grant you permission to participate in a Program, which will not be unreasonably withheld, you may be required to enter into a written agreement with us which addresses specific terms, policies and procedures related to participation in the program and pay us the then current Program royalty fee.

Except as provided above, as long as you are in compliance with your Franchise Agreement, there are no other circumstances which permit us to modify your territorial rights.


ITEM 13 TRADEMARKS

Primary Trademark.

We grant you the right to use certain trademarks, service marks and other commercial symbols in operating your ACTIKARE® Business. The primary trademarks we use are the "ACTI-KARE®" composite mark, "ACTIKARE®" word mark and associated trade names, logos, symbols, and associated designs and trade dress.

Trademark Registration.

We have registered the following Marks with the United States Patent and Trademark Office (the "USPTO") as indicated:

Mark	Reg. No.	Reg. Date	Place of Registration
ACTIKARE	3,577,553	02/17/2009	Principal Register of USPTO
	3,631,365	06/02/2009	Principal Register of USPTO

There are no agreements currently in effect which significantly limit our rights to use or license the use of our Marks in a manner material to the franchise. 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, nor are there any pending infringements, opposition or cancellation proceedings, or material litigation involving the Marks. All required affidavits have been filed with the USPTO.

Use of the Marks.

You must follow our rules when you use the Marks. You cannot use any Mark as part of your corporate or legal business name or with modifying words, designs or symbols. You may only use the Marks we license to you. You cannot use any Mark in connection with the performance or sale of any unauthorized services or products or in any other manner we have not expressly authorized in writing.

Infringements.

You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any claim by any person of any rights in any Mark, and you may not communicate with any person other than us, our attorneys and your attorneys in connection with any such infringement, challenge or claim and you must cooperate with us fully in pursuing, defending or settling the litigation. We have no affirmative obligation to preserve and protect the ownership and validity of our trademarks. However, we will take all steps that we deem reasonably appropriate. We have sole discretion to take such action as we deem appropriate and the right to control exclusively any litigation, USPTO proceeding or any other administrative proceeding arising from such infringement, challenge or claim or otherwise relating to any Mark licensed by us to you. You must sign any instruments and documents, provide such assistance and take any action that, in the opinion of our attorneys, may be necessary or advisable to protect and maintain our interests in any litigation or USPTO or other proceeding or otherwise to protect and maintain our interests in the Marks. We will have no obligation to defend or indemnify you for your expenses or damages if the claim against you relates to your use of the trademarks in violation of the Franchise Agreement.

Changes to the Mark.

If it becomes advisable at any time in our sole discretion for us and/or you to modify or discontinue the use of any Mark and/or use one or more additional or substitute trade or service marks, you must comply with our directions within a reasonable time after receiving notice. We will not be obligated to reimburse you for any loss of revenue attributable to any modified or discontinued Mark or for any expenditure you make to promote a modified or substitute trademark or service mark.

Other than as described above, we do not actually know of either superior prior rights or infringing uses that could materially affect your use of our principal trademarks in any state.

Because your telephone listings will be associated with our Marks, we will own all rights to the telephone listings, and all goodwill generated from the use of the telephone listings will be to our benefit.

ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents nor pending patent applications that are material to the franchise.

We claim copyrights in the advertising materials and related items used in operating the Franchise. These copyrights have not been registered with the United States Registrar of Copyrights.

The Manuals and other materials we possess contain our confidential information and trade secrets. This information includes methods, formats, specifications, standards, systems, procedures and sales and marketing techniques used, and knowledge of, and experience in, developing and operating ACTIKARE® Businesses; marketing and advertising programs for ACTIKARE® Businesses; knowledge of specifications for and suppliers of certain equipment, products, materials and supplies; and knowledge of the operating results and financial performance of ACTIKARE® Businesses other than your ACTIKARE® Business.

You may not use our confidential information in an unauthorized manner and must take reasonable steps to prevent its disclosure to others. We require your managers to also agree to not use our confidential information in an unauthorized manner.

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials. Nor are there any agreements currently in effect which significantly limit our right to use or authorize franchisees to use the copyrighted materials. Furthermore, there are no infringing uses actually known to us which could materially affect a franchisee's

use of the copyrighted materials in any state. We are not required by any agreement to protect or defend copyrights or confidential information, although we intend to do so when this action is in the best interests of the ACTIKARE® Business System.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You must at all times faithfully, honestly and diligently perform your obligations under the Franchise Agreement, continuously exert your full time and best efforts to promote, enhance and encourage patronage of all the ACTIKARE® businesses and not engage in any other business or activity that conflicts with your obligations to operate the ACTIKARE® Business in compliance with the Franchise Agreement. You (or your owners/manager) are obligated to participate personally in the direct operation of the ACTIKARE® Business. If you do hire a manager, that manager is not required to have an equity interest in the Franchise. Except to the extent prohibited by the laws of the state where the Franchised Business is located or where the manager lives or works However, that manager cannot have an interest or business relationship with a competing business. The manager is required to complete our on-line training program to our satisfaction within 30 days of hire. Managers must sign our standard agreement (acceptable to us) to maintain confidentiality of our proprietary rights and confidential information prior to the release of any confidential information.

Any person attending training is required to execute our then current confidentiality agreement if they are not a party to the Franchise Agreement prior to attending training. We do not require you or your spouse or domestic partner to sign a personal guaranty.

You must have any and all persons, who are not a party to the Franchise Agreement, which you authorize to contact us on your behalf, or who will have access to confidential information sign a written agreement (acceptable to us) to maintain confidentiality of our proprietary rights and confidential information prior to the release of any confidential information. We must receive a copy of this signed written agreement within 10 days of the person's hire.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale all products, and perform all services, that we require from time to time for ACTIKARE® Businesses. You may not offer for sale any products or perform any services that we have not authorized. Our System Standards may regulate required or authorized products, services and supplies. We have the right to change the types of required and/or authorized goods and services from time to time. There are no limits on our right to do so. You are specifically limited to provide services to customers who are located in your Territory. You may not provide skilled medical or caregiver services without our prior written permission.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
(a) Length of the Franchise Term	Section 9	7 Years.
(b) Renewal or extension of the term	Section 9	Automatically Renews.
(c) Requirements for franchisee to renew or extend	Section 9	You must be in full compliance with your Franchise Agreement, complete any training we require, and you must sign our then-current form of franchise agreement which may contain material different terms and conditions than you original Agreement including territory and royalties, sign a general release and pay the applicable fee.
(d) Termination by franchisee	Section 11	At any time after your first year, if you are in full compliance with your Franchise Agreement, you may request early termination by providing 180 days prior written notice, comply with post termination obligation and sign a general release. Further, you may terminate the Franchise Agreement on any grounds available by law. (subject to local state law)
(e) Termination by franchisor without cause	Not Applicable	Not Applicable
(f) Termination by franchisor with cause	Section 11	We can terminate only if you commit one of several violations. (subject to local state law)
(g) "Cause" defined – curable defaults	Section 11	Failure to report gross income, report defaults, failure to complete training, failure to open franchise, material breach of the Franchise Agreement, or failure to comply with the System Standards or Policies/Procedures.
(h) "Cause" defined – non-curable defaults	Section 11	Monetary defaults, abandonment for 30 days, violation of confidentiality, failure to cure a default within 30 days of notice, interference/disruption of our or other franchisee's business, misuse of the Marks, unauthorized transfer, bankruptcy, creditors attach or foreclose business property, conviction or "no contest" plea to a felony.
(i) Franchisee's obligations on termination/nonrenewal	Section 12	Obligations include payment of outstanding amounts, complete de-identification, pay advertising and telephone obligations, removal of advertising and return of confidential information (also see r below).

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
(j) Assignment of contract by franchisor	Section 13	No restrictions on our right to assign the Franchise Agreement.
(k) “Transfer” by franchisee-definition	Section 13	Your (or your owners’) voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition of any interest in: (a) the Franchise, (b) you or (c) the ActiKare® Business.
(l) Franchisor’s approval of transfer by franchisee	Section 13	We have the right to approve all transfers.
(m) Conditions for franchisor’s approval of transfer	Section 13	Assumption of your obligations by transferee, and the training and transfer fees are paid. Transferee must qualify and must sign our then current franchise agreement, which may contain material changes.
(n) Franchisor’s right of first refusal to acquire franchisee's business	Section 13	We can match the terms of any attempted transfer for a period of 14 days after receipt of notice of such proposed transfer.
(o) Franchisor’s option to purchase franchisee’s business	Not Applicable	Not Applicable
(p) Death or disability of franchisee	Section 15	We can terminate Franchise Agreement unless we approve a transferee.
(q) Non-competition covenants during the term of the franchise	Section 6	No involvement in a similar business. (subject to state law)
(r) Non-competition covenants after the franchise is terminated or expires	Section 12	No solicitation or recruitment of clients of your ACTIKARE® Business, any other ACTIKARE® businesses or any other current or former ACTIKARE® franchisees for a period of 2 years. (subject to state law)
(s) Modification of the agreement	Section 19	No modifications except by written agreement, but Manual and System Standards are subject to change
(t) Integration/merger clause	Section 19	Only the terms of the Franchise Agreement, Exhibits and all Agreements signed with it are enforceable (subject to applicable state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement or any related agreement is intended to disclaim the franchisor's representations made in the Franchise Disclosure Document.

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
(u) Dispute resolution by arbitration or mediation	Section 17	Except for certain claims, all disputes must be arbitrated at the office of the American Arbitration Association closest to our headquarters. (subject to state law)
(v) Choice of forum	Section 19	Jurisdiction is in the Federal or state court in the county in which our principal office is located. (subject to state law)
(w) Choice of law	Section 19	Florida. (subject to state law)

ITEM 18 PUBLIC FIGURES

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

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets if there is a reasonable basis for the information, and if the information is included in the Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet that 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.

Because we permit franchisees to determine the number of hours they operate their Franchised Business, and part-time hours vary widely, we are also only reporting on businesses that operate on a full-time basis which we define as 40 hours per week during typical business hours. Of our 14~~46~~ Franchised Businesses, ~~8995~~ operate on a full-time basis and ~~2527~~ on a part-time basis and ~~2724~~ units are in the process of getting licensed per their state requirements. Excluded from this financial performance representation are affiliate owned and operated units.

The Franchised Businesses whose gross sales are used in our calculations are single unit franchises, spend a minimum of \$12,000 per calendar year on advertising and have purchased a protected territory of between 100,000 and 250,000 populations.

The Franchised Businesses gross sales used in our calculations are franchises that are offering personal care services and are licensed within their state to offer such services, if applicable.

The Franchised Businesses presented below does not differ materially from the franchises now being offered.

Tables 1, 2, 3 and 4 below are a financial performance representation based on historical financial performance representation of ActiKare Franchised Businesses that provided mandatory monthly revenue reports for the months of January – December 2022~~3~~ and operated under the same owner for at least 12 months. Of our 14~~16~~ Franchised Businesses, we are reporting on ~~8590~~ that have been operating for at least 12 months under the same owner and are licensed to perform all required services.

Table One

Of ~~8590~~ Franchised Businesses in operation, ~~5055~~ or ~~58.82~~~~61.11~~% met the criteria above and work 35 or more hours per week during regular business hours.

As of Fiscal year end December 31, 2022 3 : Average Gross Sales	\$611,054.20 705,291.31
1821 or 3638 % of the 5055 Franchised Business attained or surpassed this average	
Median Gross Sales	\$523,607.20 489,073.68
Lowest Gross Sales	\$136,918.00 237,101.00
Highest Gross Sales	\$2,584,2592,455,755.00

Table Two

Of ~~8590~~ Franchised Businesses in operation, ~~2426~~ or ~~28.24~~28.88% met the criteria above and work 20-30 hours per week during regular business hours.

As of Fiscal year end December 31, 202 32 :	\$285,573.26 <u>\$308,641.30</u>
Average Gross Sales	
<u>11</u> or 46% of the 2426 Franchised Business attained or surpassed this average	
Median Gross Sales	\$208,802.00 <u>\$264,630.00</u>
Lowest Gross Sales	\$87,709.00 <u>\$99,846.50</u>
Highest Gross Sales	\$491,769.00 <u>\$516,449.00</u>

Table Three

Of ~~8590~~ Franchised Businesses in operation, ~~86~~ or ~~9.41~~6.67% met the criteria above and work 10-20 hours per week during regular business hours.

As of Fiscal year end December 31, 202 23 :	\$99,512.00 <u>\$126,687.00</u>
Average Gross Sales	
54 or 62.56 <u>7</u> % of the 86 Franchised Business attained or surpassed this average	
Median Gross Sales	\$79,943.60 <u>\$85,864.88</u>
Lowest Gross Sales	\$39,780.00 <u>\$39,780.00</u>
Highest Gross Sales	\$182,996.00 <u>\$182,996.00</u>

Table Four

Of ~~8590~~ Franchised Businesses in operation, ~~53~~ or ~~5.88~~3.33% met the criteria above and work 10 or fewer hours per week during regular business hours.

As of Fiscal year end December 31, 202 23 :	\$32,718.00 <u>\$32,284.66</u>
Average Gross Sales	
<u>21</u> or 40 <u>33</u> % of the 53 Franchised Business attained or surpassed this average	
Median Gross Sales	\$26,400.30 <u>\$26,400.00</u>
Lowest Gross Sales	\$8,215.00 <u>\$10,355.48</u>
Highest Gross Sales	\$45,920.00 <u>\$60,098.50</u>

Tables 5, 6, 7 and 8 below are a financial performance representation based on historical financial performance representation of ActiKare Franchised Businesses that provided mandatory monthly revenue reports for the months of January – December 202~~23~~ and operated under the same owner for at least 24 months. Of our 14~~46~~ Franchised Businesses, we are reporting on 68~~76~~ that have been operating for at least 24 months under the same owner and are licensed to perform all required services.

Table Five

Of ~~6876~~ Franchised Businesses in operation, ~~4046~~ or ~~58.82~~60.53% met the criteria above and work 35 or more hours per week during regular business hours.

As of Fiscal year end December 31, 202 23 :	\$734,569.45 <u>\$780,205.09</u>
Average Gross Sales	
4517 or 37.5 % of the 4046 Franchised Business attained or surpassed this average	
Median Gross Sales	\$627,344.00 <u>\$684,300.00</u>
Lowest Gross Sales	\$251,905.00 <u>\$283,981.20</u>
Highest Gross Sales	\$2,584,259 <u>\$2,455,755.00</u>

Table Six

Of ~~6876~~ Franchised Businesses in operation, ~~2021~~ or ~~29.41~~27.63% met the criteria above and work 20-30 hours per week during regular business hours.

As of Fiscal year end December 31, 202 23 :	\$629,633.93 <u>\$651,298.00</u>
Average Gross Sales	
4011 or 5052.4 % of the 2021 Franchised Business attained or surpassed this average	
Median Gross Sales	\$498,204.20 <u>\$506,800.80</u>
Lowest Gross Sales	\$211,186.07 <u>\$204,630.00</u>
Highest Gross Sales	\$1,389,426.46 <u>\$1,649,997.54</u>

Table Seven

Of ~~6876~~ Franchised Businesses in operation, ~~86~~ or ~~11.76~~7.89% met the criteria above and work 10-20 hours per week during regular business hours.

As of Fiscal year end December 31, 202 23 :	\$125,975.86 <u>\$182,563.18</u>
Average Gross Sales	
32 or 37.5 <u>33.3</u> % of the 86 Franchised Business attained or surpassed this average	
Median Gross Sales	\$109,709.00 <u>\$126,687.00</u>
Lowest Gross Sales	\$67,705.25 <u>\$72,760.00</u>
Highest Gross Sales	\$291,769.50 <u>\$331,776.00</u>

Table Eight

Of ~~6876~~ Franchised Businesses in operation, ~~43~~ or ~~5.88~~3.95% met the criteria above and work 10 or fewer hours per week during regular business hours.

As of Fiscal year end December 31, 202 23 :	\$99,965.32 <u>\$104,397.20</u>
Average Gross Sales	
1 or 25 <u>33.3</u> % of the 43 Franchised Business attained or surpassed this average	
Median Gross Sales	\$75,943.60
Lowest Gross Sales	\$41,812.00 <u>\$36,460.00</u>
Highest Gross Sales	\$182,996.00 <u>\$200,788.00</u>

The Franchised Businesses included in the above calculations are mature businesses, in operation for two full years of business. The above figure (reflecting Gross Sales, not profits) was calculated based upon information reported to us by our franchisee in their royalty reports. The above figure has not been audited by us. The above figure does not reflect the costs of sales, operating expenses or other costs and expenses that must be deducted from the Gross Sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Franchised Business. Franchisees or former franchisees, listed in Exhibits E and F of this Franchise Disclosure Document, may be one source of this information.

Some franchises have sold this amount. Your individual results may differ. There is no assurance you will sell as much.

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

Other than the financial performance representation in this Item 19, we do not make any financial performance representation. We also do not authorize our employees or representatives to make any representations either orally or in writing. If you are purchasing an existing franchise, however, we may provide you with the actual records of that business. 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 Mark Lucas, CEO, ACTIKARE, Inc., 15310 Amberly Drive, Suite 175, Tampa, Florida 33647; Telephone; 813-931-5516, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1

SYSTEM OUTLET SUMMARY
For Years 2020~~1~~ to 2022~~3~~

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of The Year	Column 5 Net Change
Franchised	2020	130	139	+9
	2021	139	138	-1
	2022	138	141	+3
	<u>2023</u>	<u>141</u>	<u>146</u>	<u>+5</u>
Company-Owned	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Outlets	2020	130	139	+9
	2021	139	138	-1
	2022	138	141	+3
	<u>2023</u>	<u>141</u>	<u>146</u>	<u>+5</u>

Table 2

TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
For years 2020~~1~~ to 2022~~3~~

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Alabama	2020	0
	2021	0
	2022	0
	<u>2023</u>	<u>0</u>
Alaska	2020	0
	2021	0
	2022	0
	<u>2023</u>	<u>0</u>
Arizona	2020	0
	2021	0
	2022	1
	<u>2023</u>	<u>0</u>
Arkansas	2020	0
	2021	0
	2022	0
	<u>2023</u>	<u>0</u>
California	2020	4
	2021	0
	2022	0
	<u>2023</u>	<u>0</u>

Column 1	Column 2	Column 3
State	Year	Number of Transfers
Colorado	2020	0
	2021	0
	2022	0
	2023	0
Connecticut	2020	0
	2021	0
	2022	0
	2023	0
Delaware	2020	0
	2021	0
	2022	0
	2023	0
Florida	2020	1
	2021	2
	2022	0
	2023	0
Georgia	2020	0
	2021	0
	2022	1
	2023	0
Hawaii	2020	0
	2021	0
	2022	0
	2023	0
Idaho	2020	0
	2021	0
	2022	0
	2023	0
Illinois	2020	0
	2021	0
	2022	0
	2023	0
Indiana	2020	0
	2021	0
	2022	0
	2023	0
Iowa	2020	0
	2021	0
	2022	0
	2023	0
Kansas	2020	0
	2021	0
	2022	0
	2023	0
Kentucky	2020	0
	2021	0
	2022	0
	2023	0
Louisiana	2020	0
	2021	0
	2022	0
	2023	0
Maine	2020	0
	2021	0

Column 1	Column 2	Column 3
State	Year	Number of Transfers
	2022	0
	2023	0
	2020	0
Maryland	2021	0
	2022	0
	2023	0
	2020	0
Massachusetts	2021	0
	2022	0
	2023	0
	2020	0
	2021	0
	2022	0
	2023	0
Michigan	2020	0
	2021	0
	2022	0
	2023	0
	2021	0
	2022	0
	2023	0
Minnesota	2020	0
	2021	0
	2022	0
	2023	0
	2021	0
	2022	0
	2023	0
Mississippi	2020	0
	2021	0
	2022	0
	2023	0
	2021	0
	2022	0
	2023	0
Missouri	2020	0
	2021	0
	2022	0
	2023	0
	2021	0
	2022	0
	2023	0
Montana	2020	0
	2021	0
	2022	0
	2023	0
	2021	0
	2022	0
	2023	0
Nebraska	2020	0
	2021	0
	2022	0
	2023	0
	2021	0
	2022	0
	2023	0
Nevada	2020	0
	2021	0
	2022	0
	2023	0
	2021	0
	2022	0
	2023	0
New Hampshire	2020	0
	2021	0
	2022	0
	2023	0
	2021	0
	2022	0
	2023	0
New Jersey	2020	0
	2021	0
	2022	0
	2023	0
	2021	0
	2022	0
	2023	0
New Mexico	2020	0
	2021	0
	2022	0
	2023	0
	2021	0
	2022	0
	2023	0
New York	2020	0
	2021	0
	2022	0
	2023	0

Column 1	Column 2	Column 3
State	Year	Number of Transfers
North Carolina	2020	0
	2021	0
	2022	0
	2023	0
	2020	0
	2021	0
North Dakota	2022	0
	2023	0
	2020	0
	2021	0
	2022	0
	2023	0
Ohio	2020	0
	2021	0
	2022	0
	2023	0
	2020	0
	2021	0
Oklahoma	2022	0
	2023	0
	2020	0
	2021	0
	2022	0
	2023	0
Oregon	2020	0
	2021	0
	2022	0
	2023	0
	2020	1
	2021	0
Pennsylvania	2022	0
	2023	0
	2020	0
	2021	0
	2022	0
	2023	0
Puerto Rico	2020	0
	2021	0
	2022	0
	2023	0
	2020	0
	2021	0
Rhode Island	2022	0
	2023	0
	2020	0
	2021	0
	2022	0
	2023	0
South Carolina	2020	0
	2021	0
	2022	0
	2023	0
	2020	0
	2021	0
South Dakota	2022	0
	2023	0
	2020	0
	2021	0
	2022	0
	2023	0
Tennessee	2020	0
	2021	1
	2022	0
	2023	0
	2020	0
	2021	1
Texas	2022	0
	2023	0
	2020	0
	2021	0
	2022	0
	2023	0
Utah	2020	0
	2021	0
	2022	0
	2023	0
	2020	0
	2021	0
Vermont	2022	0
	2023	0
	2020	0
	2021	0

Column 1	Column 2	Column 3
State	Year	Number of Transfers
Virginia	2022	0
	<u>2023</u>	<u>0</u>
	<u>2020</u>	<u>0</u>
Washington	2021	1
	2022	0
	<u>2023</u>	<u>0</u>
West Virginia	<u>2020</u>	<u>0</u>
	2021	0
	2022	0
Wisconsin	<u>2023</u>	<u>0</u>
	<u>2020</u>	<u>0</u>
	2021	0
Wyoming	2022	0
	<u>2023</u>	<u>0</u>
	<u>2020</u>	<u>0</u>
District of Columbia	2021	0
	2022	0
	<u>2023</u>	<u>0</u>
Totals	<u>2020</u>	<u>6</u>
	2021	5
	2022	2
	<u>2023</u>	<u>0</u>

Table 3

STATUS OF FRANCHISED OUTLETS
For Years 20201 to 20223

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations – Other Reasons	Outlets at the End of the Year
Alabama *	<u>2020</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	2021	3	1	0	0	2	0	2
	2022	2	0	0	0	0	0	2
Alaska	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2020</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2021	0	0	0	0	0	0	0
Arizona	2022	0	0	0	0	0	0	0
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2020</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non- Renewals	Reacquired By Franchisor	Ceased Operations – Other Reasons	Outlets at the End of the Year
Arkansas	2021	1	4	0	0	0	0	5
	2022	5	1	0	0	2	0	4
	<u>2023</u>	<u>4</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
	<u>2020</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
California	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2020</u>	<u>15</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>3</u>	<u>0</u>	<u>15</u>
Colorado	2021	15	2	0	0	3	0	14
	2022	14	7	0	0	3	0	18
	<u>2023</u>	<u>18</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>3</u>	<u>0</u>	<u>19</u>
	<u>2020</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Connecticut	2021	1	0	1	0	0	0	0
	2022	0	1	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2020</u>	<u>4</u>	<u>1</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
Delaware	2021	3	1	0	0	0	0	4
	2022	4	1	0	0	0	0	5
	<u>2023</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>4</u>
	<u>2020</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Florida*	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2020</u>	<u>19</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>20</u>
Georgia	2021	20	4	0	0	4	0	20
	2022	20	1	0	0	2	0	19
	<u>2023</u>	<u>19</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>6</u>	<u>0</u>	<u>16</u>
	<u>2020</u>	<u>8</u>	<u>8</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>14</u>
Hawaii	2021	14	0	0	0	4	0	10
	2022	10	1	0	0	2	0	9
	<u>2023</u>	<u>9</u>	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16</u>
	<u>2020</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Idaho	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2020</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Illinois	2021	6	0	0	0	1	0	5
	2022	5	0	0	0	0	0	5
	<u>2023</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>4</u>
	<u>2020</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Indiana	2021	1	1	0	0	0	0	2
	2022	2	1	0	0	0	0	3
	<u>2023</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	<u>2020</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>1</u>
Iowa	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	1	0	1
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>1</u>

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non- Renewals	Col. 7 Reacquired By Franchisor	Col. 8 Ceased Operations – Other Reasons	Col. 9 Outlets at the End of the Year
	2023	1	0	0	0	0	0	1
Kansas	2020	4	0	0	0	0	0	4
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Kentucky	2023	1	0	0	0	0	0	1
	2020	4	0	0	0	4	0	0
	2021	0	0	0	0	0	0	0
Louisiana	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
Maine	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Maryland	2020	4	0	0	0	0	0	4
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Massachusetts	2023	1	0	0	0	0	0	1
	2020	5	4	0	0	4	0	5
	2021	5	2	0	0	1	0	6
Michigan	2022	6	0	0	0	1	0	5
	2023	5	0	0	0	0	0	5
	2020	3	0	0	0	0	0	3
Minnesota*	2021	3	0	1	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Mississippi	2020	2	0	0	0	4	0	4
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Missouri	2023	1	0	0	0	0	0	1
	2020	4	4	0	0	0	0	2
	2021	2	0	0	0	0	0	2
Montana	2022	2	0	0	0	1	0	1
	2023	1	0	0	0	0	0	1
	2020	0	4	0	0	0	0	4
Nebraska	2021	1	0	0	0	1	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Nevada	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non- Renewals	Col. 7 Reacquired By Franchisor	Col. 8 Ceased Operations – Other Reasons	Col. 9 Outlets at the End of the Year
	2021	1	0	0	0	1	0	0
	2022	0	1	0	0	0	0	1
New Hampshire	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2020</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
New Jersey	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2020</u>	<u>8</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>6</u>
	2021	6	0	0	0	1	0	5
	2022	5	0	0	0	0	0	5
New Mexico	<u>2023</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>3</u>
	<u>2020</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	1	0	1
New York	<u>2023</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2020</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	2021	2	0	0	0	1	0	1
	2022	1	0	0	0	1	0	0
North Carolina	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2020</u>	<u>4</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>4</u>	<u>0</u>	<u>4</u>
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	1	0	3
North Dakota	<u>2023</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	<u>2020</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Ohio*	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2020</u>	<u>4</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>4</u>	<u>0</u>	<u>4</u>
	2021	4	1	0	0	0	0	5
	2022	5	0	0	0	0	0	5
Oklahoma	<u>2023</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
	<u>2020</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Oregon	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2020</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
	2021	1	0	0	0	1	0	0
	2022	0	0	0	0	0	0	0
Pennsylvania	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2020</u>	<u>5</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>6</u>
	2021	6	2	0	0	0	0	8
	2022	8	1	0	0	0	0	9
Puerto Rico	<u>2023</u>	<u>9</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>	<u>0</u>	<u>6</u>
	<u>2020</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Rhode Island	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2020</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non- Renewals	Reacquired By Franchisor	Ceased Operations – Other Reasons	Outlets at the End of the Year
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
South Carolina	<u>2020</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	2021	3	2	1	0	0	1	3
	2022	3	2	0	0	3	0	2
	<u>2023</u>	<u>2</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>3</u>
South Dakota	<u>2020</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Tennessee	<u>2020</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
	2021	4	0	0	0	1	0	3
	2022	3	0	0	0	0	0	3
	<u>2023</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
Texas*	<u>2020</u>	<u>13</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>3</u>	<u>0</u>	<u>13</u>
	2021	13	3	0	0	2	0	14
	2022	14	3	0	0	1	0	16
	<u>2023</u>	<u>16</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>5</u>	<u>0</u>	<u>16</u>
Utah	<u>2020</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Vermont	<u>2020</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Virginia	<u>2020</u>	<u>6</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
	2021	7	3	0	0	1	0	9
	2022	9	1	0	0	1	0	9
	<u>2023</u>	<u>9</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>8</u>
Washington	<u>2020</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	2021	2	0	0	0	0	0	2
	2022	2	1	0	0	0	0	3
	<u>2023</u>	<u>3</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
West Virginia	<u>2020</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Wisconsin	<u>2020</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Wyoming	<u>2020</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
District of Columbia	<u>2020</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>2020</u>	<u>130</u>	<u>31</u>	<u>2</u>	<u>1</u>	<u>19</u>	<u>0</u>	<u>139</u>

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non-Renewals	Col. 7 Reacquired By Franchisor	Col. 8 Ceased Operations – Other Reasons	Col. 9 Outlets at the End of the Year
	2021	139	27	3	0	24	1	138
	2022	138	23	0	0	20	0	141
	<u>2023</u>	<u>141</u>	<u>26</u>	<u>0</u>	<u>0</u>	<u>21</u>	<u>0</u>	<u>146</u>

*Our affiliate ML Capital Group, Inc. operates ACTIKARE® franchises located in Alabama, Florida, Minnesota, Ohio and Texas.

Table 4

STATUS OF COMPANY-OWNED OUTLETS
For Years 2020 to 2023

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of the Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired From Franchisees	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisees	Col. 8 Outlets at End of the Year
All	<u>2020</u>	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Totals	<u>2020</u>	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

We do not operate any Company-Owned outlets, however our affiliate ML Capital, Inc. operates ACTIKARE® franchises in Alabama, Florida, Minnesota, Ohio and Texas.

Table 5

PROJECTED OPENINGS AS OF DECEMBER 31, 2023

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year
Alabama	0	1	0
Alaska	0	0	0
Arizona	0	2	0
Arkansas	0	0	0
California	0	4	0
Colorado	0	2	0
Connecticut	0	2	0
Delaware	0	0	0

Column 1	Column 2	Column 3	Column 4
State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Florida	0	3	0
Georgia	0	3	0
Hawaii	0	0	0
Idaho	0	0	0
Illinois	0	2	0
Indiana	0	0	0
Iowa	0	0	0
Kansas	0	0	0
Kentucky	0	1	0
Louisiana	0	1	0
Maine	0	1	0
Maryland	0	2	0
Massachusetts	0	2	0
Michigan	0	1	0
Minnesota	0	0	0
Mississippi	0	0	0
Missouri	0	0	0
Montana	0	0	0
Nebraska	0	1	0
Nevada	0	2	0
New Hampshire	0	0	0
New Jersey	0	2	0
New Mexico	0	1	0
New York	0	3	0
North Carolina	0	1	0
North Dakota	0	0	0
Ohio	0	2	0
Oklahoma	0	1	0
Oregon	0	0	0
Pennsylvania	0	2	0
Puerto Rico	0	0	0
Rhode Island	0	1	0
South Carolina	0	1	0
South Dakota	0	0	0
Tennessee	0	1	0
Texas	0	3	0
Utah	0	0	0
Vermont	0	0	0
Virginia	0	2	0
Washington	0	1	0

Column 1	Column 2	Column 3	Column 4
State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
West Virginia	0	1	0
Wisconsin	0	1	0
Wyoming	0	0	0
District of Columbia	0	0	0
TOTALS	0	53	0

All numbers in this item are as of December 31st.

The names of franchisees and the addresses and telephone numbers of their franchises are listed in Exhibit E. The name and last known address and telephone number of every franchisee who has had a unit terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or has not communicated with us within 10 weeks of the disclosure document issuance date also is listed in Exhibit F.

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

Our franchise agreements have confidentiality clauses which prevent current and former franchisees from disclosing proprietary information regarding our system. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with ACTIKARE®. You may wish to speak with current and former franchisees, but be aware that not all of those franchisees will be able to communicate with you. In addition, during the last three fiscal years, we have not signed confidentiality clauses with any current or former franchisees.

We have not created, sponsored or endorsed any trademark specific franchisee organization nor have any independent franchisee organizations asked to be included in this disclosure document.

ITEM 21

FINANCIAL STATEMENTS

Attached as Exhibit “B” are the following financial statements:

Our audited Balance Sheet, Income Statements, Statements of Changes in Stockholders’ Equity, and Statements of Cash Flows for the periods ending December 31, 202~~23~~³, December 31, 202~~4~~², and December 31, 202~~0~~¹. We were formed on September 5, 2007. Our fiscal year ends December 31st.

ITEM 22 CONTRACTS

The following agreements are attached as exhibits to this disclosure document:

(a) Franchise Agreement -- Exhibit C

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

EXHIBIT A TO THE DISCLOSURE DOCUMENT

LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

Our registered agent in the State of Florida is:

Mark W. Lucas
15310 Amberly Drive, Suite 175
Tampa, Florida 33647

STATE	AGENCY	PROCESS, IF DIFFERENT
California 1-866-ASK-CORP	<p>Department of Financial Protection and Innovation</p> <p>Los Angeles 320 West 4th Street, Suite 750 Los Angeles, CA 90013</p> <p>Sacramento 2101 Arena Blvd. Sacramento, CA 95834</p> <p>San Diego 1455 Frazee Road, Suite 315 San Diego, CA 92108</p> <p>San Francisco 1 Sansome Street, Suite 600 San Francisco, CA 94104</p>	<p>Commissioner of Financial Protection and Innovation</p> <p>Los Angeles 320 West 4th Street, Suite 750 Los Angeles, CA 90013</p> <p>Sacramento 2101 Arena Blvd. Sacramento, CA 95834</p> <p>San Diego 1455 Frazee Road, Suite 315 San Diego, CA 92108</p> <p>San Francisco 1 Sansome Street, Suite 600 San Francisco, CA 94104</p>
Hawaii	Securities Examiner 1010 Richards Street Honolulu, HI 96813	
Illinois	Franchise Division Office of Attorney General 500 South Second Street Springfield, IL 62706	
Indiana	Franchise Section Indiana Securities Division Secretary of State, Room E-111 302 W. Washington Street Indianapolis, IN 46204	Administrative Office of the Secretary of State 201 State House Indianapolis, IN 46204
Maryland	Office of Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202-2021	Maryland Securities Commissioner 200 St. Paul Place Baltimore MD 21202-2021
Michigan	Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 670 G. Mennen Williams Building 525 West. Ottawa Lansing, MI 48933	
Minnesota	Commissioner of Commerce Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198	
New York	NYS Department of Law Investor Protection Bureau 28 Liberty St, 21st Floor New York, NY 10005 (212) 416-8222	Secretary of State State of New York One Commerce Plaza 99 Washington Avenue Albany, NY 12231-0001
North Dakota	Office of Securities Commissioner	North Dakota Securities Department

STATE	AGENCY	PROCESS, IF DIFFERENT
	600 East Boulevard Avenue State Capital 14 th Floor Bismarck, ND 58505-0510	600 East Boulevard Avenue State Capital 14th Floor Dept 414 Bismarck, ND 58505-0510
Oregon	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 97310	
Rhode Island	Division of Securities Department of Business Regulations Building 69, 1 st Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, RI 02920	
South Dakota	Department of Labor & Regulations Division of Securities 124 S Euclid, Ste 104 Pierre, SD 57501	
Virginia	Ronald W. Thomas, Administrator State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219	Clerk of the State Corporation Commission 1300 East Main Street 1 st Floor Richmond, VA 23219
Washington	Washington State Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504-1200 (360) 902-8760	Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501 (360) 902-8760
Wisconsin	Securities and Franchise Registration Division of Securities 4 th Floor 345 W. Washington Avenue Madison, WI 53703	

EXHIBIT B TO THE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS OF

ACTIKARE, INC.



CDM Financials, LLC

Certified Public Accountants, Business Advisors

Independent Auditor's Report

***Board of Directors of
ActiKare, Inc.***

Opinion

We have audited the financial statements of ActiKare, Inc., which comprise the balance sheets as of December 31, 2023, 2022 and 2021, and the related statements of income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of ActiKare, Inc. as of December 31, 2023, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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 ActiKare, Inc.'s ability to continue as a going concern for one year from the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ActiKare, Inc.'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 ActiKare, Inc.'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.

CDM Financials, LLC

CDM Financials, LLC
Fairburn, GA
March 11, 2024

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ACTIKARE, INC.
Balance Sheet
DECEMBER 31, 2023, 2022, and 2021

ASSETS

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Current Assets			
Cash	\$785,434	\$799,287	\$543,823
Accounts Receivable	50	8,445	134,538
Due from Related Parties	155,000	-	28,383
Note Receivable	-	18,843	18,843
Total Current Assets	<u>940,484</u>	<u>826,575</u>	<u>725,587</u>
Property and Equipment, net	19,199	13,079	11,514
Intangible Asset, net	25,840	28,722	25,842
Total Assets	<u>\$985,523</u>	<u>\$868,376</u>	<u>\$762,943</u>

LIABILITIES AND STOCKHOLDERS EQUITY

Liabilities			
Accounts Payable and Accrued Expenses	\$ 69,777	\$ 24,247	\$ 21,788
Due to Related Parties	83,914	-	70,065
Note Payable	-	-	74,692
Other Current Liabilities	21,835	-	8,652
Total Current Liabilities	<u>175,526</u>	<u>24,247</u>	<u>175,197</u>
Stockholders Equity			
Common Stock	28	28	28
Additional Paid in Capital	125,927	125,927	28,222
Retained Earnings	684,042	718,174	559,496
	<u>809,997</u>	<u>844,129</u>	<u>587,746</u>
Total Stockholders Equity	<u>809,997</u>	<u>844,129</u>	<u>587,746</u>
Total Liabilities and Equity	<u>\$985,523</u>	<u>\$868,376</u>	<u>\$762,943</u>

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

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ACTIKARE, INC.
Income Statement
For the year ending DECEMBER 31, 2023, 2022, and 2021

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Revenue	\$2,083,782	\$2,038,276	\$1,862,303
Cost of Sales	11,857	8,636	11,873
Gross Profit	<u>\$2,071,925</u>	<u>\$2,029,640</u>	<u>\$1,850,430</u>
Operating Expense			
Salary Expense	501,253	642,538	730,500
Consulting Fees	-	-	8,550
Advertising	469,466	455,395	406,920
Bank Fees	45,172	44,598	32,407
Computer Expenses	40,921	19,329	10,683
Commissions	146,992	116,192	64,808
Administrative Expense	83,914		
Depreciation and Amortization	3,245	3,245	3,845
Franchise Expense	19,750	45,376	94,014
Miscellaneous Expense	-	108,608	16,861
Insurance	3,005	1,481	3,166
Leads	-	-	13,777
Office Expense	189,363	36,441	109,013
Professional Fees	47,559	47,731	42,193
Rent	26,637	26,000	18,000
Settlement Expense	-	-	32,343
Taxes and Licenses	-	4,654	3,362
Telephone	22,637	20,399	17,089
Training	28,309	31,825	28,870
Travel	82,306	62,768	51,067
Website Expense	20,335	26,674	-
Bad Debt Expense	30,944	177,708	-
Total Expenses	<u>\$1,761,808</u>	<u>\$1,870,962</u>	<u>\$1,687,468</u>
Net Income	<u>\$ 310,117</u>	<u>\$ 158,678</u>	<u>\$ 162,962</u>
Stockholders Equity, Beginning	\$ 844,129	\$ 587,746	\$ 908,267
Contributions /(Distributions)	(344,249)	97,705	-
Prior Period Adjustment	-	-	(483,483)
Stockholders Equity, Ending	<u>\$ 809,997</u>	<u>\$ 844,129</u>	<u>\$ 587,746</u>

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

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ACTIKARE, INC.
Statement of Cash Flows
For the Period Ending December 31, 2023, 2022, and 2021

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Operating Activities			
Net Income	\$310,117	\$158,678	\$162,962
Depreciation and Amortization	3,245	3,245	3,245
Change in Current Assets	(127,762)	154,476	52,110
Change in Current Liabilities	151,278	(150,950)	35,809
Prior Period Adjustment	-	-	(483,483)
Net Cash Provided by Operating Activities	<u>336,878</u>	<u>165,449</u>	<u>(229,357)</u>
Investing Activities			
Change in Fixed Assets	(6,482)	(1,928)	-
Change in Intangible Assets	-	(5,762)	-
Net Cash Used for Investing Activities	<u>(6,482)</u>	<u>(7,690)</u>	<u>-</u>
Financing Activities			
Contributions/ (Distributions)	(344,249)	97,705	-
Proceeds from Note Payable	-	-	-
Net Cash Provided by Financing Activities	<u>(344,249)</u>	<u>97,705</u>	<u>-</u>
Net Change in Cash	(13,853)	255,464	(229,357)
Cash at Beginning of Period	799,287	543,823	773,180
Cash at End of Period	<u>\$785,434</u>	<u>\$799,287</u>	<u>\$543,823</u>

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

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ACTIKARE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDING DECEMBER 31, 2023, 2022 and 2021

Note 1 - Nature of Business

Actikare, Inc. (the Company) was incorporated in the state of Florida in September, 2007 and began franchising its non-medical home care business in 2008. In the Actikare, Inc. system, the franchisees recruit qualified caregivers to perform services for clients. Actikare, Inc. uses these qualified caregivers to deliver non-medical companion services to its clients in the comfort and familiarity of the clients home. Actikare, Inc.'s programs assist individuals with such daily activities as meal preparation, errands, help paying bills, light housekeeping, transportation, pet care and other miscellaneous activities so that senior and other individuals of need can keep enjoying the activities they love and equally important, maintain their independence. The Company assists in operating the franchisees business and design an ongoing marketing program to reach potential customers within your protected territory. Generally, Actikare, Inc. businesses market to individuals 60 years of age and older.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The financial statements for Actikare, Inc., Inc. were prepared using the accrual basis of accounting. Under this method income is recorded when earned and expenses are recorded when incurred.

Reporting Period

For tax and reporting purposes, Actikare, Inc. operates on a calendar year consisting of a full twelve months beginning with January 1 and ending December 31.

Cash and Cash Equivalents

The Company considers cash on hand, cash in banks and other short-term securities with maturities of three months or less when purchased as cash and cash equivalents.

Use of Estimates

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

Impairment of Long-Lived Assets

The Company records impairment losses on long-lived assets used in operations when events and circumstances indicate that the assets might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets. There were no such impairment losses at December 31, 2023.

ACTIKARE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDING DECEMBER 31, 2023, 2022 and 2021

Note 3 – Revenue Recognition

The Company adopted ASU 2014-09 Revenue from Contracts with Customers and all subsequent amendments to the ASU (collectively, “ASU 606”) which creates a single framework for recognizing revenue from contracts with customers that fall within its scope. In adopting ASC 606 the full retrospective method was used to determine revenue under the current standard. Completion of the implementation analysis resulted in no adjustment to the beginning accumulated deficit balance.

Initial franchise fees are used to secure the franchisees designated territory and cover the necessary training and orientation. Franchise sales are only recognized when the Company satisfies all its performance obligations to its franchisees. Accordingly, for the year ending December 31, 2023 and for the periods prior to adoption of ASC 606, the company had no unearned income to report.

Note 4 - Advertising Expense

Actikare, Inc. accounts for advertising expenses in accordance with SOP 93-7 ‘Reporting of Advertising Cost’. Accordingly, advertising that does not provide a future benefit should be expensed as incurred. Advertising expenses for December 31, 2023, 2022 and 2021 was \$469,466, \$455,395 and \$406,920 respectively.

Note 5 - Property and Equipment

Property and equipment is recorded at cost, net of accumulated depreciation. At December 31, 2022, property and equipment consisted of the following:

Furniture and Equipment	\$19,149
Computer and Software	5,275
Less: Accumulated	
Depreciation	<u>(5,225)</u>
Property and Equipment, net	\$19,199

Depreciation expense for the year ending December 31, was \$363.

Note 6 - Intangible Assets

Intangible assets consist of capitalized organization cost. Amortization expense for the period ending December 31, 2023 was \$2,882.

ACTIKARE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDING DECEMBER 31, 2023, 2022 and 2021

Note 7 – Related Party Activity

The Company reports amounts due to and from related parties that accrue no interest and have no specific repayment terms. All amounts reported are expected to be both paid and received.

Note 8 - Provision for Income Taxes

Actikare, Inc. has elected S Corporation status under the Internal Revenue Service code. Under this provision, all corporate income is passed through to its owners who are liable for paying income tax on the related income. Thus, no income tax provisions have been made at the corporate level.

Note 9 – Subsequent Events

The Company has evaluated subsequent events through the date which the financial statements were available to be issued. No such events have occurred.



CDM Financials, LLC

Certified Public Accountants, Business Advisors

Independent Auditor's Report

*Board of Directors of
ActiKare, Inc.*

Opinion

We have audited the financial statements of ActiKare, Inc., which comprise the balance sheets as of December 31, 2022, 2021 and 2020, and the related statements of income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of ActiKare, Inc. as of December 31, 2022, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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 ActiKare, Inc.'s ability to continue as a going concern for one year from the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ActiKare, Inc.'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 ActiKare, Inc.'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.

CDM Financials, LLC

CDM Financials, LLC
Fairburn, GA
April 25, 2023

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ACTIKARE, INC.
Balance Sheet
DECEMBER 31, 2022, 2021, and 2020

ASSETS

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Current Assets			
Cash	\$ 799,287	\$ 543,823	\$ 773,180
Accounts Receivable	8,445	134,538	178,389
Due from Related Parties	-	28,383	36,642
Note Receivable	18,843	18,843	18,843
Total Current Assets	<u>826,575</u>	<u>725,587</u>	<u>1,007,054</u>
Property and Equipment, net	13,079	11,514	11,877
Intangible Asset, net	28,722	25,842	28,724
Total Assets	<u>\$ 868,376</u>	<u>\$ 762,943</u>	<u>\$ 1,047,655</u>

LIABILITIES AND STOCKHOLDERS EQUITY

Liabilities			
Accounts Payable and Accrued Expenses	\$ 24,247	\$ 21,788	\$ 4,782
Due to Related Parties	-	70,065	59,914
Note Payable	-	74,692	74,692
Other Current Liabilities	-	8,652	-
Total Current Liabilities	<u>24,247</u>	<u>175,197</u>	<u>139,388</u>
Stockholders Equity			
Common Stock	28	28	28
Additional Paid in Capital	125,927	28,222	28,222
Retained Earnings	718,174	559,496	880,017
	<u>844,129</u>	<u>587,746</u>	<u>908,267</u>
Total Stockholders Equity	<u>844,129</u>	<u>587,746</u>	<u>908,267</u>
Total Liabilities and Equity	<u>\$ 868,376</u>	<u>\$ 762,943</u>	<u>\$ 1,047,655</u>

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

ACTIKARE, INC.
Income Statement
For the years ending DECEMBER 31, 2022, 2021, and 2020

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Revenue	\$ 2,038,276	\$ 1,862,303	\$ 2,120,018
Cost of Sales	8,636	11,873	8,936
Gross Profit	<u>\$ 2,029,640</u>	<u>\$ 1,850,430</u>	<u>\$ 2,111,082</u>
Operating Expense			
Salary Expense	642,538	730,500	1,000,318
Consulting Fees	-	8,550	14,755
Advertising	455,395	406,920	259,755
Bank Fees	44,598	32,407	30,865
Computer Expenses	19,329	10,683	19,403
Commissions	116,192	64,808	72,034
Depreciation and Amortization	3,245	3,845	3,845
Franchise Expense	45,376	94,014	97,830
Miscellaneous Expense	108,608	16,861	-
Insurance	1,481	3,166	4,517
Leads	-	13,777	1,000
Office Expense	36,441	109,013	164,704
Professional Fees	47,731	42,193	28,083
Rent	26,000	18,000	15,000
Settlement Expense	-	32,343	25,000
Taxes and Licenses	4,654	3,362	4,191
Telephone	20,399	17,089	4,825
Training	31,825	28,870	27,173
Travel	62,768	51,067	28,945
Website Expense	26,674	-	555
Bad Debt Expense	177,708	-	-
Total Expenses	<u>\$ 1,870,962</u>	<u>\$ 1,687,468</u>	<u>\$ 1,802,798</u>
Net Income	<u>\$ 158,678</u>	<u>\$ 162,962</u>	<u>\$ 308,284</u>
Stockholders Equity, Beginning	\$ 587,746	\$ 908,267	\$ 545,252
Contributions	97,705	-	-
Prior Period Adjustment	-	(483,483)	54,731
Stockholders Equity, Ending	<u>\$ 844,129</u>	<u>\$ 587,746</u>	<u>\$ 908,267</u>

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

ACTIKARE, INC.
Statement of Cash Flows
For the Periods Ending December 31, 2022, 2021, and 2020

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Operating Activities			
Net Income	\$ 158,678	\$ 162,962	\$ 308,284
Depreciation and Amortization	3,245	3,245	3,845
Change in Current Assets	154,476	52,110	(144,833)
Change in Current Liabilities	(150,950)	35,809	45,347
Prior Period Adjustment	-	(483,483)	54,731
Net Cash Provided by Operating Activities	<u>165,449</u>	<u>(229,357)</u>	<u>267,374</u>
Investing Activities			
Change in Fixed Assets	(1,928)	-	(1,984)
Change in Intangible Assets	(5,762)	-	(22,871)
Net Cash Used for Investing Activities	<u>(7,690)</u>	<u>-</u>	<u>(24,855)</u>
Financing Activities			
Contributions/ (Distributions)	97,705	-	-
Proceeds from Note Payable	-	-	74,692
Net Cash Provided by Financing Activities	<u>97,705</u>	<u>-</u>	<u>74,692</u>
Net Change in Cash	255,464	(229,357)	317,211
Cash at Beginning of Period	543,823	773,180	455,969
Cash at End of Period	<u>\$ 799,287</u>	<u>\$ 543,823</u>	<u>\$ 773,180</u>

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

ACTIKARE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDING DECEMBER 31, 2022, 2021 and 2020

Note 1 - Nature of Business

Actikare, Inc. (the Company) was incorporated in the state of Florida in September, 2007 and began franchising its non-medical home care business in 2008. In the Actikare, Inc. system, the franchisees recruit qualified caregivers to perform services for clients. Actikare, Inc. uses these qualified caregivers to deliver non-medical companion services to its clients in the comfort and familiarity of the clients home. Actikare, Inc.'s programs assist individuals with such daily activities as meal preparation, errands, help paying bills, light housekeeping, transportation, pet care and other miscellaneous activities so that senior and other individuals of need can keep enjoying the activities they love and equally important, maintain their independence. The Company assists in operating the franchisees business and design an ongoing marketing program to reach potential customers within your protected territory. Generally, Actikare, Inc. businesses market to individuals 60 years of age and older.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The financial statements for Actikare, Inc., Inc. were prepared using the accrual basis of accounting. Under this method income is recorded when earned and expenses are recorded when incurred.

Reporting Period

For tax and reporting purposes, Actikare, Inc. operates on a calendar year consisting of a full twelve months beginning with January 1 and ending December 31.

Cash and Cash Equivalents

The Company considers cash on hand, cash in banks and other short-term securities with maturities of three months or less when purchased as cash and cash equivalents.

Use of Estimates

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

Impairment of Long-Lived Assets

The Company records impairment losses on long-lived assets used in operations when events and circumstances indicate that the assets might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets. There were no such impairment losses at December 31, 2022.

ACTIKARE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDING DECEMBER 31, 2022, 2021 and 2020

Note 3 – Revenue Recognition

The Company adopted ASU 2014-09 Revenue from Contracts with Customers and all subsequent amendments to the ASU (collectively, “ASU 606”) which creates a single framework for recognizing revenue from contracts with customers that fall within its scope. In adopting ASC 606 the full retrospective method was used to determine revenue under the current standard. Completion of the implementation analysis resulted in no adjustment to the beginning accumulated deficit balance.

Initial franchise fees are used to secure the franchisees designated territory and cover the necessary training and orientation. Franchise sales are only recognized when the Company satisfies all its performance obligations to its franchisees. Accordingly, for the year ending December 31, 2022 and for the periods prior to adoption of ASC 606, the company had no unearned income to report.

Note 4 - Advertising Expense

Actikare, Inc. accounts for advertising expenses in accordance with SOP 93-7 ‘Reporting of Advertising Cost’. Accordingly, advertising that does not provide a future benefit should be expensed as incurred. Advertising expenses for December 31, 2022, 2021 and 2020 was \$455,395, \$406,920 and \$259,755 respectively.

Note 5 - Property and Equipment

Property and equipment is recorded at cost, net of accumulated depreciation. At December 31, 2022, property and equipment consisted of the following:

Furniture and Equipment	\$12,666
Computer and Software	5,275
Less: Accumulated	
Depreciation	<u>(4,862)</u>
Property and Equipment, net	\$13,079

Depreciation expense for the year ending December 31, was \$363.

Note 6 - Intangible Assets

Intangible assets consist of capitalized organization cost. Amortization expense for the period ending December 31, 2022 was \$2,881.

ACTIKARE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDING DECEMBER 31, 2022, 2021 and 2020

Note 7 - Provision for Income Taxes

Actikare, Inc. has elected S Corporation status under the Internal Revenue Service code. Under this provision, all corporate income is passed through to its owners who are liable for paying income tax on the related income. Thus, no income tax provisions have been made at the corporate level.

Note 8 – Subsequent Events

The Company has evaluated subsequent events through the date which the financial statements were available to be issued. No such events have occurred.

EXHIBIT C TO THE DISCLOSURE DOCUMENT

**FORM OF
FRANCHISE AGREEMENT**

AREA DIRECTOR FRANCHISE AGREEMENT

This Area Director Franchise Agreement (this “**Agreement**”) is entered into as of the ____ day of _____, 20__ between:

ActiKare, Inc.
15310 Amberly Drive
Suite 175
Tampa, Florida 33647

(“**We**,” “**Us**,” “**Our**,” “**ACTIKARE**,” or “**ACTI-KARE**”)

and

AREA DIRECTOR FRANCHISEE:

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____

(“**You**,” “**Your**,” “**Area Director**” or “**Franchisee**”)

1. GRANT OF AREA DIRECTOR FRANCHISE, INITIAL PAYMENT, AND TERRITORY.

(a) Subject to the terms and conditions of this Agreement, we grant you a license and appoint you as an authorized Area Director to offer ACTIKARE® services which deliver non-medical companion and personal care services to clients in the client’s home and related merchandise as well as new products and services as they become available to us (the “ACTIKARE® System”). Upon the execution of this Agreement, you agree to pay us the initial Franchise Fee set forth on Exhibit “A” for the purchase of the Area Director Franchise (“Franchise” or “Franchised Business”) which includes the Franchise Package described in Exhibit “B”.

(b) The Franchise is granted for a specific protected territory (“Territory”) as set forth in Exhibit “A”. We shall not, during the term of this Agreement, so long as you are not in default hereunder or under any other agreement ancillary hereto, operate ourselves or grant to any other person an ACTIKARE® franchise within the Territory nor shall we modify the Territory without your prior written permission unless you are in default of the terms of this Agreement. You are not permitted to perform services at any location or home that is situated outside of your Territory without our written permission. Permission will not be unreasonably withheld. If we grant you permission, you must enter into a written agreement with us which addresses specific terms, and pay us the applicable Royalty/Support Fee for services conducted outside of your protected territory, as set forth on Rider “A”. If you service a client outside of your protected Territory, without our written permission, you agree to forfeit all of your gross sales for that client to us or someone we designate.

(c) Other than your right to operate your ACTIKARE® Business within your Territory, we do not grant you any territorial or other rights whatsoever. We may establish other ACTIKARE® businesses (franchised or owned by us) anywhere outside of your Territory.

(d) **Rights We Retain:** Nevertheless, we retain the right, on behalf of ourselves or through affiliates, in our discretion, and without granting any rights to you, to:

- (i) solicit prospective franchisees and grant franchises or other rights to operate ACTIKARE® businesses through national or regional advertising, trade shows or conventions or through e-commerce or similar means for individuals to operate

ACTIKARE® businesses (franchises will not be granted to operate within your Territory);

- (ii) solicit prospective franchisees for, and own and operate, businesses and ACTIKARE® businesses of any other kind or nature, anywhere;
- (iii) conduct or assign any ACTIKARE® business within your Territory that you refuse to perform, you are unable to perform or while you are in default of your Franchise Agreement; and
- (iv) conduct services through any government program ("Program"). If we grant you permission to participate in a Program, which will not be unreasonably withheld, you may be required to enter into a written agreement with us which addresses specific terms, policies and procedures related to participation and pay us the then current Program royalty fee.

2. PAYMENT FOR FRANCHISE.

You will pay the Initial Franchise Fee, as shown on Exhibit "A," by: (i) check; (ii) wire transfer; or (iii) Mastercard or Visa credit card or other such method of payment as we may require. It is due on signing and is not refundable. Payments by check must be made payable to ActiKare, Inc.

3. SHIPMENTS.

We will endeavor to deliver the Franchise Package, as set forth in Exhibit "B", in a timely manner, within a maximum of thirty (30) business days.

4. INITIAL AND ONGOING TRAINING.

Within thirty (30) days of your signing this Agreement, we will train you and up to two (2) additional people at our corporate location for approximately two (2) to three (3) days with our approved trainer and provide ten (10) hours Web-based Pre-training and Post-training ("the Initial Training"). Any person attending training is required to execute our then current confidentiality agreement if they are not a party to this Agreement. We may extend the Initial Training for you if you fail to successfully complete the program, but you must attend and successfully complete the Initial Training within one hundred and eighty (180) days of the date of this Agreement, or within sixty (60) days of issuance of your state-required license, whichever occurs first. You may not open your business until you have completed training. ACTIKARE® on-site classroom training is included in your Franchise Fee, but you must pay travel and living expenses. Upon your request, if you choose not to attend our on-site classroom training, we will make available to you, for an additional fee, and you must attend our virtual one-on-one on-line classroom training which you must attend and complete. ~~ACTIKARE® training is included in your Franchise Fee, but you must pay travel and living expenses.~~ We offer our franchisees unlimited phone support available during normal business hours. We will hold conferences, either telephonically or electronically, to discuss sales techniques, bookkeeping, performance standards, advertising programs and other topics we feel may be appropriate. These conferences set forth important information, including but not limited to, changes in System Standards which are mandatory to remain in compliance with this Agreement. From time to time we may host in-person conferences and you will be required to pay the then current participation fee, not to exceed Two Hundred Ninety-Five Dollars (\$295) per person; however, your attendance is optional.

If your ACTIKARE® Business will operate in a state that does not require a license prior to opening, you must complete training and open your Business within 90 days of signing your Franchise Agreement or we may terminate your Franchise Agreement.

If your ACTIKARE® Business will operate in a state that require licensure prior to opening, you must apply for your license within thirty (30) days of signing your Franchise Agreement; and complete training within 30

days of license approval, or 180 days of signing your Franchise Agreement or we may terminate your Franchise Agreement.

5. ONGOING FEES.

(a) **Royalty/Support Fee.** You agree to pay us a Royalty/Support Fee as shown on Exhibit “A,” which is based on Gross Sales for the month. “Gross Sales” shall mean the gross receipts of every kind and nature for sales of all products and services made in, upon, from or through operation of the Franchised Business, and income of every other kind and nature related to the Franchised Business, whether for products, services, exchange, credit, cash, or check regardless whether such sale is conducted in compliance with or in violation of the terms of this Agreement. Gross Sales shall not include the amount of refunds, tax collections, or allowances or discounts to customers. This Royalty/Support Fee shall begin month following completion of Training, or issuance of your state-required license, whichever occurs later and shall continue through the term of this Agreement. Royalty/Support fees are due on or before the tenth (10th) day of the next calendar month, based on the preceding month’s Gross Sales. You agree to provide authorization for your credit card to be automatically charged by us for your monthly Royalty/Support Fee minimum, should you fail to submit payment by the tenth (10th) of the month. If your amount due exceeds your minimum, you will be required to submit the balance due immediately. If payment is not received by the due date outlined above, and/or the credit card you provided is declined and not replaced within forty-eight (48) hours of notice, you will be subject to a late fee of One Hundred dollars (\$100.00) immediately plus 1.67%, or the maximum rate permitted by state law if less, of the amount due for each day after the due date.

(b) **Advertising Fund.** You agree to pay to us an advertising contribution equal to two percent (2%) of your Gross Sales or Fifty Dollars (\$50.00) a month, whichever is greater. The advertising contribution will go into a separate account and be used for regional or national advertising programs for the benefit of ACTIKARE® businesses as we see fit. We receive reimbursement from the Fund for our advertising related administrative costs, indirect expenses and subsidizing costs. Your advertising contribution shall begin month following completion of Training, or issuance of your state-required license, whichever occurs later, and shall continue through the term of this Agreement. Advertising fees are due on or before the tenth (10th) day of the next calendar month, based on the preceding month’s receipts. You agree to provide authorization for your credit card to be automatically charged by us for your monthly advertising fund minimum, should you fail to submit payment by the tenth (10th) of the month. If your amount due exceeds your minimum, you will be required to submit the balance due immediately. If payment is not received by the due date outlined above, and/or the credit card you provided is declined and not replaced within forty-eight (48) hours of notice, you will be subject to a late fee of One Hundred dollars (\$100.00) immediately plus 1.67%, or the maximum rate permitted by state law if less, of the amount due for each day after the due date.

(c) **Local Advertising.**

- (i) ***Initial Four (4) Month Launch Advertising.*** Beginning upon completion of training, or issuance of your state-required license, whichever occurs later, during your first four (4) months of business, One Thousand Five Hundred Dollars (\$1,500.00) must be paid directly to us each month for marketing services which we will execute on your behalf for your territory. These funds are part of your initial working capital. You agree to provide authorization for your credit card to be automatically charged by us on the first (1st) day of each month, for the first four (4) months of business, for initial launch advertising.
- (ii) ***Recommended Ongoing Local Advertising.*** We recommend you spend a minimum of One Thousand Dollars (\$1,000.00) every month on approved local paid advertising within your Territory.

(ed) **ACTIKARE Business Package.** Beginning upon receipt of training or state-required license, whichever is later, during your first twenty-four (24) months of business, Two Hundred Fifty Dollars (\$250.00) must be paid directly to us each month for services which we will execute on your behalf, including call center services/appointment setting services, cold calling potential business partners on your behalf, live chat services, and a customized Website (your "Sitelet"). The monthly ACTIKARE Business Package expenditure paid directly to us will increase to Three Hundred Dollars (\$300.00) per month at the beginning of your third (3rd) year of business. You agree to provide authorization for your credit card to be automatically charged by us on the first (1st) day of each month for the ACTIKARE Business Package.

(e) **Scheduling Software.** Beginning at least thirty (30) days prior to initial training, and continuing throughout the term of this Agreement, you are required to use a scheduling software, provided by a third (3rd) party designated and administered by us, to streamline processes in client and employee management, scheduling, billing, and payroll. This cost is based on the number of active clients and typically ranges between One Hundred Thirty Dollars (\$130.00) and Two Hundred Dollars (\$200.00) per month. We reserve the right to require you to use different scheduling, tracking and reporting software to operate your Franchised Business, which may change over time. We will provide you with at least ninety (90) days' notice of any change to your required software.

(d) (e)(f) **Business Telephone Number, Web Hosting, and Email Account.** We will provide you with a local business telephone number, web hosting, and an Email Account. You will be charged Fifty Dollars (\$50.00) per month for these services and it shall be paid on the first (1st) day of each month by automatic debit to your credit card. This fee shall begin the first (1st) of the month following the date of this Agreement and shall continue through the term of this Agreement. Upon your request, we will provide additional email accounts for an annual fee of One Hundred Twenty Dollars (\$120.00) per account.

(fg) **Electronic Fund Transfers.** At our option we may require fees or payments due to us be paid by automatic debit / Electronic Funds Transfer (EFT) from your bank account. If we require you to pay your fees by EFT, you must authorize your bank to accept automatic withdrawals for all fees to owed to us from your bank into our bank account when due. You must provide us with all documents necessary to direct your bank to honor these pre-authorized bank debits. All fees and payments due under this Agreement must be paid in US Dollars.

6. YOUR OBLIGATIONS.

(a) You may not open the ACTIKARE® Business for business until: (1) your pre-opening training has been completed to our satisfaction;(2) you submit proof of insurance in the amounts stated in subsection (h) below and; (3) you comply with any required state or local registrations and licensing requirements.

(b) You may advertise in such a manner as may be agreed upon by both of us. Subject to our written consent, you may use the trademarks in such advertising and in all promotions. You agree that you will make no representations, warranties or claims which tend to misrepresent or falsify the ACTIKARE Services or Products.

(c) Except when advertising cooperatively with other ACTIKARE® franchisees, you are not permitted to advertise, market, promote or solicit services anywhere outside of your Territory without written permission from us. You agree that if you become involved in an advertising cooperative that we have no responsibility or liability to you with regard to such cooperative. You may operate your ACTIKARE® business office from your home or a commercial site within your Territory, however you are not permitted to perform any customer services from your business office or any retail or commercial site without our written permission, which we can withhold at our sole discretion. If you do not have a commercial site within your protected Territory, you must acquire a virtual address within your protected Territory to use for Internet and social media advertising and marketing.

(d) You agree that you shall comply in all respects with all laws, rules and regulations of every governmental authority applicable to your Business. You may not provide skilled medical or caregiver services without our prior written permission.

(e) You acknowledge and agree that no fees or compensation for services are required to be paid by us to you under this Agreement.

(f) We reserve the right to modify any one or more of the ACTIKARE Services or Products including the substitution of modified services or products, and to add new services or products. We will give you as much notice as possible if we or the manufacturer decides to discontinue any ACTIKARE Service or Product after such decision is made where no other source of comparable items is reasonably available. We are not required to purchase or exchange any of your inventory except in accordance with our defective merchandise policy.

(g) You must inspect the ACTIKARE Services or Products immediately upon receipt, and promptly notify us in writing of any evident defects. You will be deemed to accept the ACTIKARE Services and Products if you do not notify us of any defect within ten (10) business days after your receipt. We will pay reasonable return transportation costs if you receive defective ACTIKARE Services or Products for which you timely notify us.

(h) You will, upon commencement of the Franchise, purchase and at all times maintain at full force and effect: general liability insurance and professional liability coverage insurance each in the amount of not less than One Million Dollars (\$1,000,000.00) for each, naming us as an additional insured.

(i) You will defend at your own expense and indemnify and hold us harmless from and against all losses, liabilities, damages, claims and causes of action (including attorneys' fees and other costs) arising or alleged to be arising from your failure to abide by any Federal, state, and/or local laws or regulations relating to your Franchised Business including the sale of ACTIKARE Services or Products, or arising or alleged to be arising from your negligent acts or omissions or the acts or omissions of your representatives, contractors, and agents.

(j) You promise that you will not, in any manner, interfere with, disturb, disrupt, or jeopardize the ACTIKARE System or its Services or Products, your ACTIKARE Business, our Business, any officers or employees of ours, or any business of our other area directors or customers.

(k) You shall adhere to all ACTIKARE System Standards, policies and procedures for current franchises. In addition, you shall adhere to any changes in the aforementioned System Standards, policies and procedures as may be updated through "Field Bulletins" from time to time.

(l) We will provide you with a customized ACTIKARE Website for your Franchised Business. By posting or submitting to us information or materials for the ACTIKARE® Internet Website, you are representing to us that the information and materials are accurate and not misleading and do not infringe any third party's rights. You must notify us whenever any information about you or the Franchise Business on the ACTIKARE® Internet Website changes or is not accurate. You shall not establish or operate a web site on the Internet using any domain name containing the words ACTIKARE.com, .net, .biz, .org or any variation thereof, without our prior written permission. You must also not create, maintain or operate any blogs, Internet web sites or other online activities advertising, promoting or discussing the services of the ACTIKARE® Business, any competitive business or any in-home care or in-home care-related business, including the sending of bulk e-mail ~~or facsimiles~~, other than in accordance with our Manuals or as we otherwise specify in writing. You shall, within forty-eight (48) hours of a demand to do so by us, dismantle and/or deactivate any frames and/or links between your web pages and any other web sites or violating domains, or any other items appearing on the Internet or elsewhere in violation of our policies and procedures.

(m) You will receive a virtual telephone number from ACTIKARE that will serve as your official ACTIKARE® telephone number to be used exclusively for advertising and marketing to the public.

(n) Except to the extent prohibited by the laws of the state where the Franchised Business is located. You agree that you (including your owners) shall not, during the Term of this Agreement or any renewal or extension thereof, become associated in any manner with any business which is the same or similar to the Franchised Business or that is in competition with us or any of our franchisees.

7. OPERATION AND SYSTEM STANDARDS

(a) **Marks.** We own certain trademarks, service marks, trade names and trade symbols, trade dress, indicia of origin, signs, slogans, associated logos, designs, emblems and URLs, domain names, website addresses, email addresses, digital cellular addresses, wireless web addresses and the like and copyrights ("the Marks"), the distinctiveness and value of which you acknowledge.

(b) **Manual.** We will provide you, during the Term (defined hereafter in Section 9), a copy of our manuals (Franchisee Manual and Marketing Plan) (the "Manuals"), for use in operating an ACTIKARE® business. The Manuals contain mandatory and suggested specifications, standards, trade secrets, methods, operating procedures, techniques, directives, the Marks, information and rules ("System Standards") that we prescribe from time to time for the operation of an ACTIKARE® business and information relating to your other obligations under this Agreement and any related agreements. Any required standards exist to protect our interests in the System and Marks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to you. You agree to follow all mandatory standards, specifications and operating procedures described in the Manuals. You agree to maintain the Manuals as confidential and maintain the information in the Manuals as secret and confidential. For purposes of this Agreement, all information, knowledge and know-how not known to the public about ACTIKARE and our products, services, standards, procedures, techniques and other information or material as we may designate as confidential will be deemed confidential and a trade secret of ACTIKARE ("Confidential Information"). You agree that you shall not use the Manuals and/or any other confidential information, knowledge, and/or know-how disclosed to you by ACTIKARE in any other business or for any other pursuit or in any manner not specifically authorized or approved in writing by ACTIKARE. The Manuals may be modified, updated and revised from time to time to reflect changes in System Standards. We may distribute updates and changes electronically. You agree to keep your copy of the Manuals current and in a secure location. In the event of a dispute relating to its contents, the master copy of the Manuals we maintain at our principal office will be controlling. You may not at any time copy, duplicate, record or otherwise reproduce any part of the Manuals.

The provisions of this sub-section 7(b) shall survive any termination, transfer, or expiration of this Agreement.

8. COVENANTS.

You must at all times faithfully, honestly and diligently perform your obligations under this Agreement, continuously exert your best efforts to operate your ACTIKARE® Business; promote, enhance and encourage patronage of all ACTIKARE® businesses and not engage in any other business or activity that conflicts with your obligations to operate the ACTIKARE® Business in compliance with this Agreement. You (or your owners/managers) are obligated to participate personally in the direct operation of the ACTIKARE® Business. Except to the extent prohibited by the laws of the state where the Franchised Business is located or where the manager lives or works, if you hire a manager, that person cannot have an interest or business relationship with any of ACTIKARE®'s business competitors. The manager need not have an ownership interest in a corporate or partnership franchisee. The manager must successfully complete our required training within thirty (30) days of hire and must sign our standard written agreement to maintain confidentiality of our proprietary rights and confidential information prior to the release of any such confidential information.

9. AGREEMENT TERM AND RENEWAL.

The initial term (the "Term") of this Agreement shall be for a period of seven (7) years, commencing on the date of the Agreement. This Agreement is renewable for successive periods of seven (7) years as long as you have complied in all material respects with the provisions of this Agreement during the Initial and any Renewal

Term. To renew you must sign the then current franchise agreement used for area director franchisees at that time, sign a general release of any and all claims you may have against us, and pay the renewal fee of Two Hundred Fifty Dollars (\$250) that must be paid to us prior to renewal. Also, you (or a manager of yours approved by us) must satisfactorily complete any new training and refresher programs as we may reasonably require, at no additional cost.

10. REPORTS.

The Manuals specify the monthly reports (currently New Client Enrollment Form, Monthly Revenue Report and Monthly Advertising Report) and all payments due to us that you must submit to us by their due dates in order for your Franchise to be in good standing.

11. DEFAULTS AND TERMINATION

(a) Default with No Opportunity to Cure. You shall be deemed to be in default and we may, at our option, terminate this Agreement immediately upon delivery of notice to you and without affording you any opportunity to cure the default if any of the following events occur:

- (i) you knowingly maintain false books or records or submit any false statements or reports to us.
- (ii) you understate by five percent (5%) or more your Gross Sales in any report to us.
- (iii) you are convicted of a felony or any crime or offense or any claim of misconduct which results in or is reasonably likely, in our sole opinion, to affect adversely the ACTIKARE® System or its associated goodwill.
- (iv) you misuse our Marks, confidential information and/or Proprietary Rights.
- (v) you transfer your Business without our permission.
- (vi) you disparage, interfere with or disrupt our business or the business of any area director.
- (vii) you abandon or cease to operate your ACTIKARE® Business for a period of thirty (30) days without our prior written permission.
- (viii) you violate any covenant of confidentiality or otherwise disclose, use or copy any manuals, materials or information created or used by us without our prior approval or violate any applicable non-compete, to the extent state law allows.
- (ix) you become insolvent or make a general assignment for the benefit of creditors, or, unless otherwise prohibited by law, if you file a petition in bankruptcy, or a petition is filed against and consented to by you or not dismissed within 30 days, or if a receiver is appointed; or if a final judgment in excess of Five Thousand Dollars (\$5,000.00) remains unsatisfied for 60 days unless stayed.
- (x) you fail, for thirty (30) days after notice, to comply with any law or regulation applicable to your ACTIKARE® Business.

(b) Default with Thirty (30) Day Opportunity to Cure. Except as provided in Section (a) above, you will have thirty (30) days from delivery of a written Notice of Default to remedy the default described in the notice. If any such default is not cured within that time, or such longer period as applicable law may require, we have the option of terminating this Agreement without any further notice to you upon the expiration of the applicable cure period. You shall be in default for any failure to comply substantially with any of the requirements imposed by this Agreement or our Manuals or for any failure to carry out the terms of this Agreement in good faith. Such defaults shall include, but are not limited to:

- (i) your failure to pay promptly any monies owing to us or provide required reports.
- (ii) your offer of any unauthorized products or services.
- (iii) your failure to begin operation of your ACTIKARE® Business within three hundred sixty-five days (365) of signing this Agreement.
- (iv) you or your designated manager fail to complete to our reasonable satisfaction any of the training required within one hundred eighty (180) days of signing this Agreement.
- (v) your material breach of any representation, promise, warranty, or agreement contained in this Agreement.
- (vi) your failure to comply with the ACTIKARE® System Standards.

(c) Our failure to exercise our right of immediate termination shall not constitute a waiver of such right or any other right that we may have to terminate this Agreement in the future.

(d) Upon the occurrence of any event of default, we may suspend the services and products we provide to you while you are in default.

(e) You may submit a written request to terminate this Agreement at any time after one (1) year from the date of this Agreement, with one hundred eighty (180) days prior written notice, and be relieved of any and all obligations under this Agreement except as provided under Section 12. You must be in good standing and in full compliance with this Agreement at the time you submit your request. If you request to provide less than one hundred eighty (180) day written notice, you will be required to pay an early termination fee at the time you submit your request, equivalent to one hundred eighty (180) days of your minimum Royalty and Advertising Fund Fees. Your request for early termination will be granted upon your full compliance with Section 12 and you sign our general release.

12. TRANSACTIONS AFTER TERMINATION, TRANSFER, OR EXPIRATION.

Upon termination, transfer, or expiration of this Agreement, all rights granted hereunder to you shall forthwith terminate, and you shall immediately cease to operate the Franchised Business under this Agreement and shall not thereafter, directly or indirectly, represent yourself to the public or hold yourself out as a present or former franchisee of ACTIKARE®, with the exception of your accurate disclosure in your résumé. Termination, transfer, or expiration of the Agreement shall not release you from any obligation to pay any sum which may then be owed to us and you must comply with the following provisions:

(a) ***Name Cancellation:*** You must immediately cancel all fictitious, assumed name or equivalent registrations relating to your use of any of our marks.

(b) ***Manuals and Materials:*** You must immediately (within seven (7) days) turn over and return to us any and all originals and copies of the Manuals, customer lists, records, files, and any and all Confidential

Information in your possession, custody or control or relating to the operation of the ACTIKARE® Business and any and all supplies and materials containing the Marks.

(c) **Confidential Information:** You and if you are a business entity, your officers, directors, members or partners agree that upon termination, transfer, or expiration of this Agreement, you will immediately cease to use any of the Confidential Information and will not use it in any business or for any other pursuit.

(d) **Competitive Restrictions:** Except to the extent prohibited by the laws of the state where the Franchised Business is located, You, and if you are a business entity, your officers, directors, members or partners agree that for a period of two (2) years from termination, transfer, or expiration of your ACTIKARE® Franchise under this Agreement, you will not provide ACTIKARE Services or Products or similar services or products to any past or current customers of your Franchised Business or that of any other ACTIKARE business or franchise. The restrictive period shall be for a continuous uninterrupted period commencing upon the effective date of expiration or termination of this Agreement or the date that you begin to comply, whichever is later, and for two (2) years thereafter. If this covenant is found to exceed in duration or scope that permitted by applicable law, the parties expressly agree that this covenant may be modified to reflect a lawful and enforceable duration or scope.

(e) **Remove advertising and notify advertisers:** You must immediately remove all advertising that you control and notify all advertising sources that your advertising must be removed and/or canceled immediately. You further agree you will cooperate with us in the removal of all ~~i~~Internet listings that may arise, for up to twelve (12) months thereafter. For advertising that cannot be immediately canceled, you are responsible for any and all costs related to such advertising until such time as it can be canceled or it expires.

The provisions of this Section shall survive the termination, transfer, or expiration of this Agreement.

13. TRANSFERS.

(a) **Transfer by Us:** We shall have the right to transfer or assign all or any part of our rights or obligations herein to any person or legal entity provided such person or legal entity agrees to be bound by all of the terms and conditions set forth herein and agrees to assume same. We will make a good faith effort to ascertain that any such assignee possesses the economic resources to fulfill our obligations to our area directors.

(b) **Transfer by You:** You may transfer your business at any time, provided you are current with fees and compliant with all your obligations under this Agreement. You may not transfer or sell any interest in you, this Agreement or your Franchised Business without our prior written consent, which shall not be unreasonably withheld provided you meet the following conditions:

- (i) your proposed assignee must complete our franchisee application and meet our standards of qualification then applicable to all new applicants for franchises;
- (ii) the proposed Transfer is at a price and on terms and conditions, as we deem reasonable;
- (iii) your assignee shall assume all your duties, obligations and liabilities to ACTIKARE;
- (iv) your assignee signs our then current franchise agreement;
- (v) you or your assignee shall agree to pay to us prior to consummation of transfer a Three Thousand Dollars (\$3,000.00) training fee;
- (vi) you or your assignee shall pay to us prior to consummation of transfer a transfer fee of Two Thousand Dollars (\$2,000.00);
- (vii) you must sign a general release releasing us from any and all existing claims you may have against us, our affiliates, and our respective officers, directors, agents and employees; and

(viii) any attempted transfer in the Franchise shall trigger a right of first refusal by ACTIKARE to match the terms thereof of any bona fide offer, which right may be exercised for a period of fourteen (14) days after receipt of notice.

(c) **Exemption of Transfer Fee.** If you are an individual, you may transfer this Agreement to a business entity that is under your majority control for no additional fee if you have been in good standing throughout the Term of this Agreement.

14. ACCOUNTING AND RECORDS.

You shall maintain during the Term and shall preserve for the time period specified in the Manuals, full, complete, and accurate books, records, and accounts in accordance with the standard accounting system prescribed by us in the Manuals or otherwise in writing. You are required to maintain a separate bank account, used exclusively for your ACTIKARE Business. Annually, no later than January 15th, you are required to submit to us your business bank account statements for each month of the previous year. ACTIKARE may, from time to time, request additional copies of your books and records to make sure you are complying with this Agreement. During the term of your Agreement, we and our designated agents will examine and audit your records, accounts, books and data at reasonable times with reasonable notice to you of an audit to ensure that you are complying with the terms of this Agreement.

15. DEATH OR INCAPACITY OF AREA DIRECTOR.

Upon your death or the determination of your incapacity (if an individual), or dissolution or similar event (if a partnership or corporation), your interest in this Agreement shall pass to your heirs or beneficiaries. In such event, ACTIKARE may terminate this Agreement upon one hundred and eighty (180) days' notice to your last business address unless such heirs or beneficiaries: (a) designate a person as being responsible for the performance of this Agreement and the Franchise within ninety (90) days after death or determination, and (b) provide adequate assurance, satisfactory to us, that such person's qualifications and abilities are sufficient for the continued operation of the Franchise, the observance of all duties of Area Director under this Agreement and the protection of ACTIKARE's valuable trademarks and copyrights. The individual assuming your responsibilities will be required to, at such individual's sole expense, pay the then applicable training fee to ACTIKARE.

16. MARKS.

(a) **Ownership and Goodwill.** Your right to use the trademark ACTIKARE® and any other trademarks, service marks, logos, designs or artwork that we authorize (the "Marks") is derived solely from this Agreement. You may only use the Marks in connection with the operation of your ACTIKARE® Business and only in accordance with this Agreement. Any unauthorized use of the Marks by you constitutes an infringement of our rights in and to the Marks. Your usage of the Marks, and any goodwill established by your use of the Marks, inures to our exclusive benefit. You must not, at any time, contest, or assist anyone else in contesting, the validity or ownership of any of the Marks. All provisions of this Agreement applicable to the Marks applies to any additional trademarks, service marks, logo forms, trade dress and commercial symbols that we authorize for use by, and license to, you in connection with this Agreement.

(b) **Limitations on Use.** You must not use any Mark as part of any corporate or trade name or with any prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form. You must not use any Mark in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized by us in writing. You must display the Marks prominently and in the manner prescribed by us on signs and forms. You must give such notices of trademark and service mark registrations and copyrights as we specify and you must obtain such fictitious or assumed name registrations as may be required under applicable law. You will not employ the Marks in any way that we have determined may result in liability to us for any debts or obligations of yours.

(c) ***Infringements and Claims.*** You must notify us immediately in writing if you become aware of any apparent infringement of, or challenge to, your use of any Mark, or claim by any person of any rights in any of the Marks. You must not communicate with any person other than us and our counsel in connection with any such infringement, challenge or claim. We have sole right to take any action we deem appropriate and the right to exclusively control any litigation, administrative or other proceeding arising out of any infringement, challenge or claim or otherwise relating to any Mark. You must sign any instruments and documents, provide such assistance and take any action that, in the opinion of our attorneys, may be necessary or advisable to protect and maintain our interests in any litigation or United States Patent and Trademark Office or other proceeding or otherwise to protect and maintain our interests in the Marks.

(d) ***Discontinuance of Use.*** If it becomes advisable at any time for us and/or you to modify or discontinue use of any Mark, and/or use one or more additional or substitute trademarks or service marks, you must comply within a reasonable time after our notice to you, and our sole liability and obligation to you in the event of such change will be to reimburse you for your out-of-pocket costs of compliance. We will not be obligated to reimburse you for any loss of revenue attributable to any modified or discontinued Mark.

17. ARBITRATION.

Prior to submitting any claim or dispute to arbitration, Franchisee shall give notice thereof to ACTIKARE setting forth in reasonable detail the nature and basis of the claim or dispute. The parties shall then seek to negotiate and resolve the dispute by direct negotiation between Franchisee and ACTIKARE over a period of not less than sixty (60) days.

Any controversy or claim arising out of or related to this Agreement, or the breach of this Agreement, shall be settled by arbitration before a single arbitrator to be held in the county in which our principal place of business is located, in accordance with the rules of the American Arbitration Association. The award of the arbitrator shall be final and judgment upon the award rendered may be entered in any court having jurisdiction. Notwithstanding the above, either of us may seek injunctive relief against the other party in any court of proper jurisdiction with respect to any and all preliminary injunctive or restraining procedures pertaining to this Agreement or the breach of this Agreement.

18. RELATIONSHIP TO PARTIES.

This Agreement does not create a fiduciary relationship between the two of us. You are an independent contractor. Nothing in this Agreement is intended to constitute either party as an agent, legal representative, subsidiary, joint venture, partner, employee, affiliate or servant of the other party for any purpose. Nothing in this Agreement authorizes you to make any contract, agreement, warranty or representative on our behalf, nor to incur any debt or other obligation in our name.

You and we agree that any materials, guidance or assistance that we provides with respect to the terms and conditions of employment for your employees, employee hiring, firing and discipline, and similar employment-related policies or procedures, whether in the Operations Manual or otherwise, are solely for your optional consideration and use. Those materials, guidance and assistance do not form part of the mandatory System Standards. You will determine to what extent, if any, these materials, guidance or assistance should apply to your employees. You acknowledge that we do not dictate or control labor or employment matters for franchisees and their employees and will not be responsible for the safety and security of your employees or patrons. You are solely responsible for determining the terms and conditions of employment for all your employees, for all decisions concerning the hiring, firing and discipline of your employees, and for all other aspects of labor relations and employment practices.

All employees or agents hired or engaged by or working for you will be only your employees or agents and will not for any purpose be considered our employees or agents or the owner of the Marks, nor subject to our control, and in particular, we will have no authority to exercise control over the hiring or termination of employees, independent contractors, or others who work for you, their compensation, working hours or conditions, or the

day-to-day activities of those people, except to the extent necessary to protect the Marks. It is understood that you will have sole responsibility for your employees and all acts of your employees, and all employment-related decisions involving wages, benefits, hours of work, scheduling, hiring, firing, discipline, supervision, record keeping, taxes and withholdings ~~income tax~~, social security contributions, Medicare contributions, unemployment fund contributions and all other terms and conditions of employment.

You must disclose to each of your employees in writing, in a form approved by us in advance, that you are the sole employer with total control over the terms and conditions of Your employee's employment and that we are not a "joint employer" of your employees and that we do not control your personnel policies. You acknowledge that we do not exercise control over or have the authority to control your employees' 1) Wages, benefits, and other compensation; (2) Hours of work and scheduling; (3) The assignment of duties to be performed; (4) The supervision of the performance of duties; (5) Work rules and directions governing the manner, means, and methods of the performance of duties and the grounds for discipline; (6) The tenure of employment, including hiring and discharge; and (7) Working conditions related to the safety and health. you will file your own tax, regulatory and payroll reports with respect to your employees or agents and operations, saving and indemnifying us of and from any liability of any nature whatsoever by virtue of it.

19. GENERAL PROVISIONS

(a) **Acknowledgment of Risk.** You acknowledge and agree to the following:

- (i) **YOUR SUCCESS IN OWNING AND OPERATING THE FRANCHISE IS SPECULATIVE AND WILL DEPEND ON MANY FACTORS INCLUDING, TO A LARGE EXTENT YOUR BUSINESS ABILITY. ACTIKARE OFFERS NO BUY-BACKS, MONEY-BACK GUARANTEES OR REFUNDS.**
- (ii) **YOU ACKNOWLEDGE THAT IN ALL OF YOUR DEALINGS WITH US, OUR EMPLOYEES AND OTHER REPRESENTATIVES ACT ONLY IN A REPRESENTATIVE CAPACITY AND NOT IN AN INDIVIDUAL CAPACITY. YOU FURTHER ACKNOWLEDGE THAT THIS AGREEMENT, AND ALL BUSINESS DEALINGS BETWEEN YOU AND SUCH INDIVIDUALS AS A RESULT OF THIS AGREEMENT, ARE SOLELY BETWEEN YOU AND ACTIKARE.**

(b) ***Governing Law.*** This Agreement and our relationship with you are governed by Florida law without regard to its conflict of laws provisions, excluding any law regulating the sale of franchises or governing the relationship between a franchisor and franchisee, unless the jurisdictional requirements of such laws are met independently without reference to this section. If, any provision, or portion hereof in any way contravenes the laws of any state or jurisdiction where this Agreement is to be performed which supersedes Florida law, such provision, or portion thereof, shall be deemed to be modified to the extent necessary to conform to such laws, and still be consistent with the parties' intent as evidenced by this Agreement.

(c) ***Jurisdiction and Venue.*** All claims which, as a matter of law or public policy, cannot be submitted to arbitration shall be brought in the federal or state court in the county and state in which our principal office is located. We both (i) irrevocably consent to the jurisdiction of each such court in any proceedings; (ii) waive any objections which either party may have to venue of the proceedings in any such courts; and (iii) agree to service of process by any means permitted under applicable laws or court rules in the State of Florida.

(d) ***Acts Beyond the Parties' Control.*** Neither of us shall be liable for loss or damage or deemed to be in breach of this Agreement if either of us fails to perform our obligations as a result solely from the following causes beyond our reasonable control, specifically: (i) transporting shortages or inadequate supply of equipment, merchandise, supplies, labor, material or energy; (ii) compliance with any applicable law; or (iii) war, strikes, natural disasters or acts of God. Any delay resulting from any of these causes shall extend performance

accordingly or excuse performance in whole or in part as may be reasonable, except that these causes shall not excuse payments of amounts owed to us for any reason.

(e) **Cumulative Remedies:** The rights and remedies provided in this Agreement are cumulative and neither you nor we will be prohibited from exercising any other right or remedy provided under this Agreement or permitted by law or equity.

(f) **Collection Costs, Expenses and Attorneys' Fees.** If a claim for amounts owed by you to us or any of our affiliates is asserted in any legal proceeding or if either you or we are required to enforce this Agreement in a judicial or arbitration proceeding, the party prevailing in such proceeding will be entitled to reimbursement of its costs and expenses, including court costs, expert witness fees, discovery costs and reasonable accounting and attorneys' fees and costs on appeal together with interest charges on all of the foregoing. All such costs and expenses shall be prorated to properly reflect any partial prevailing or losing of the parties to the arbitration, as determined by the arbitrators.

(g) **Damages.** In no event shall ACTIKARE be liable to Franchisee for punitive or exemplary damages in any action arising out of or relating to this Agreement, or any breach, termination, cancellation or non-renewal thereof. Only claims, controversies or disputes involving Franchisee and no claims for or on behalf of any other franchisee, franchisor or supplier may be brought by Franchisee hereunder.

(h) **Jury Trial.** **THE PARTIES IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER PARTY. YOU AND WE ACKNOWLEDGE THAT THIS WAIVER OF JURY TRIAL RIGHTS PROVIDES THE PARTIES WITH THE MUTUAL BENEFIT OF UNIFORM INTERPRETATION OF THIS AGREEMENT AND RESOLUTION OF ANY DISPUTE ARISING OUT OF THIS AGREEMENT AND ANY ASPECT OF THE PARTIES' RELATIONSHIP. YOU AND WE FURTHER ACKNOWLEDGE THE SUFFICIENCY AND RECEIPT OF MUTUAL CONSIDERATION FOR SUCH BENEFIT.**

(i) **Binding Effect.** This Agreement is binding on and will inure to the benefit of our successors and assigns. Except as otherwise provided in this Agreement, this Agreement will also be binding on your successors and assigns, and your heirs, executors and administrators.

(j) **Entire Agreement.** This Agreement, including its introduction, addenda and exhibits, constitutes the entire agreement between you and us. There are no other oral or written understandings or agreements between you and us concerning the subject matter of this Agreement. Nothing in this Agreement is intended to disclaim the representations we have made in the Franchise Disclosure Document furnished to you.

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

20. NOTICES.

Except as otherwise expressly provided herein, any and all notices and reports permitted or required to be delivered by the parties pursuant hereto shall be deemed so delivered at the time they are delivered by hand or by recognized courier service, one (1) business day after transmission by overnight delivery service, ~~facsimile~~ or Internet email or other electronic system, or three (3) business days after mailed by certified mail, postage prepaid, return receipt requested. Notices will be addressed as follows:

If to Franchisor: ActiKare, Inc.
ActiKare, Inc.
20234 AKFDD

15310 Amberly Drive, Suite 175

Tampa, Florida 33647

Attn: Mark Lucas

Fax: _____

E-Mail: _____

If to Franchisee:

Attn: _____

Fax: _____

E-Mail: _____

or to such other address, ~~fax~~ or email as such party may designate by ten (10) days advance written notice to the other party.

21. AMENDMENT

Any modification or change in or to this Agreement must be in writing and signed by each of the parties thereto and this Agreement and any modification or change thereto must be approved in writing by ACTIKARE before this Agreement or any modification or change can take effect or bind either party.

IN WITNESS WHEREOF, the parties have executed this Agreement under seal, as of the day and year first above written.

ACTIKARE, INC.

Signature: _____

Print Name: _____

Title: _____

FRANCHISEE

Signature: _____

Print Name: _____

Title: _____

EXHIBIT “A”
TERRITORY, FRANCHISE FEE AND ROYALTY/SUPPORT FEE SCHEDULE

We grant you the following Territory upon payment of the Franchise Fee indicated below:

Table 1
Options for territory are only available at time of initial franchise purchase

Indicate Territory Size	Population Up To:	Franchise Fee	Monthly Royalty/Support Fee or Minimum*
	100,000	\$19,750	Greater of 5%-3%** of Gross Sales or \$450
	150,000	\$27,250	Greater of 5%-3%** of Gross Sales or \$550
	250,000	\$39,750	Greater of 5%-3%*** of Gross Sales or \$550

*This Royalty Schedule identifies the Royalty/Support Fee that will be paid by Franchisee to Franchisor by the 10th of each month based on the previous month's Gross Sales.

** Franchisee will pay decreasing royalty percentages based on the following:

<u>Monthly Gross Sales</u>	<u>Royalty/Support Fee</u>
\$25,000 or less	5% of Gross Sales;
\$25,001 - \$50,000	4% of Gross Sales between \$25,001 and \$50,000; and
\$50,001 or higher	3% of all Gross Sales over \$50,000.

***Expanded Territory Area Director will pay a royalty of 4% on their first \$50,000 in monthly gross sales, and 3% on monthly gross sales over \$50,000.

For two (2) months, starting the month following completion of training, the Royalty/Support fees and the monthly minimum royalty fees are waived. The minimum royalty fee will be collected according to Table 1 above based on Territory Population of your Franchise Business (\$450 or \$550). However, in any month your percentage of monthly gross sales exceeds the monthly minimum royalty, the full monthly Royalty/Support Fee is due.

ACTIKARE, INC.

Signature:_____

Print Name:_____

Title:_____

FRANCHISEE

Signature:_____

Print Name:_____

Title:_____

EXHIBIT "B"

FRANCHISE PACKAGE Area Director's Franchise Package

BASE PACKAGE \$19,750

Territory: 100,000 in population. Territory is geographically defined in your written agreement.

- For an additional \$7,500 (\$27,250 total investment) a territory may be increased to 150,000 in population.
 - For an additional \$20,000 (\$39,750 total investment) a territory may be increased to 250,000 in population.
- (Options for territory are only available at time of initial franchise purchase.)*

Acquiring Caregivers:

- ACTIKARE® will provide assistance to the franchisee with acquiring their initial staff of Caregivers.

Training (2 options):

- Option A: Intensive training is conducted at our Corporate Headquarters in Tampa, Florida
- Option B: Instructor led computerized on-line training is also available, [for an additional fee of \\$1,500](#), for franchisees that wish to begin operations within a quicker time-frame or need more time to complete our training program. *Franchise owners that elect to receive on-line training may also participate in our in-person training program in Tampa at a future time.*

Training Includes:

- Start-up of new business
- Contracts
- Advertising
- Software
- How to obtain caregivers and clients
- Start-up marketing plan
- And much more.

Franchise Support:

- Operations Manual (Your Road Map to Success!)
- On-Going Training
- 800 - Telephone Support Line
- Access to Advertising Department:
- We customize all local ads, flyers, radio spots, etc. for no additional fee.
- Access to ACTIKARE® secure intranet system which contains training, support, advertising, forms, documents and much more
- Franchisee Conference Calls
- Professionally designed PowerPoint Presentations for speaking engagements
- Marketing Materials: (Tested and Proven)
 - Camera Ready Artwork for:
Logos, Flyers, Tri-folds, Brochures, Newspapers, Magazines, Press Releases
 - Pre-written Advertorials:
Local Newspapers and Magazines, Radio and Television Spots
 - Digital Artwork for:
Social Media Campaign, Paid Internet Search Campaign, Online Display Advertisements

Logo Merchandise:

- \$250 voucher for Lands' End toward purchase of ACTIKARE® Logo Portfolio ACTIKARE® Logo Laptop bag, and ACTIKARE® Logo polo shirts
- 5 ACTIKARE® Logo Pens
- 5 ACTIKARE® Logo Caregiver Bags
- 5 Client Goodie Bags

Inventory and Supplies:

- 100 General Services Brochures/color
- 100 Dementia/Alzheimer's Disease Brochures/color

- 50 Thank You Cards and Envelopes
- 50 Presentation Folders

ACTIKARE reserves the right to modify or replace items or services contained in this Base Package with items or services of equal or greater value as determined by ActiKare Inc.

RIDER A
**UNPROTECTED TERRITORY RIDER TO
AREA DIRECTOR FRANCHISE
AGREEMENT**

THIS RIDER TO AREA DIRECTOR FRANCHISE AGREEMENT ("Rider") is made and entered into this _____ day of __, 20____ ("the Effective Date"), by and between ActiKare, Inc., a Florida corporation, with its principal place of business at 15310 Amberly Drive, Suite 175, Tampa, Florida 33647 (hereinafter "Franchisor") and _____ (hereinafter "Area Director").

WHEREAS, Franchisor and Area Director are parties to an Area Director Franchise Agreement dated _____ (hereinafter "the Franchise Agreement");

WHEREAS, under the Franchise Agreement, Area Director has no rights to operate Area Director's ACTIKARE® Business or to offer ACTIKARE® in-home care services and related merchandise outside of its protected territory as provided in the Franchise Agreement;

WHEREAS, Area Director desires to offer in-home care services within zip codes these zip codes:

that not part of its protected territory and which do not currently belong to any other ACTIKARE area director and Franchisor is willing to grant Area Director non-exclusive rights to provide in-home care services outside of its protected territory under certain terms and conditions;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties do hereby agree to the following:

- 1. NO RIGHTS ACCRUE.** Area Director acknowledges, understands and agrees that, regardless of time, energy and/or resources dedicated to offering and providing in-home care services under this Rider, no rights of any kind accrue to Area Director in or to the zip codes set forth above, or anywhere outside of Area Director's protected territory, as set forth in the Exhibit A of the Franchise Agreement.
- 2. TERM.** Franchisor may terminate this Rider at Franchisor's sole discretion, at any time, via written notice provided by Franchisor to Area Director. Otherwise this Rider shall be in effect until the Franchise Agreement expires or is terminated; whichever occurs first.
- 3. OBLIGATIONS UPON TERMINATION.** Immediately upon receipt of notice of Termination, Area Director must cease to offer or provide services or goods in the identified zip codes. Within thirty (30) days after the effective date of Termination, Area Director will provide to Franchisor all information regarding the identity, contact information, current status and prior service of clients served in unprotected zip codes. Area Director shall receive no compensation for such cessation of service or information delivery.
- 4. ZIP CODE SOLD.** If Franchisor sells an unprotected zip code that is currently being serviced by Area Director to a new or another area director, immediately upon receipt of notice from Franchisor, Area Director must cease to offer or provide services or goods in this zip code to *new* clients. Within thirty (30) days of receipt of notice from Franchisor, Area Director must fully disclose all current and

past client contacts and service details in that zip code to the newly assigned area director, and Area Director must cease to service all clients from within the newly sold zip code, in accordance with the ActiKare Inc. Policies and Procedures. Area Director shall receive no compensation for such cessation of service or information delivery.

5. INCORPORATION OF TERMS. All terms and conditions set forth in the Franchise Agreement shall apply to the subject area of this Rider and are incorporated herein by reference with the exception of those terms and conditions that are in conflict with the terms of this Rider.

6. ONGOING FEES.

(a) **Royalty.** The royalty fee owed by Area Director to Franchisor for services performed under this Rider is separate and distinct from the Royalty Fee owed by Area Director to Franchisor under Area Director's Franchise Agreement and does not accrue to satisfy the Monthly Minimums as set forth in the Franchise Agreement. For services provided and products sold outside of the Area Director's protected zip codes, as set forth in the Exhibit A of their Franchise Agreement, Area Director agrees to properly disclose Gross Sales figures in the appropriate section of the required monthly revenue report, provide pre-selected QuickBooks reports (as required by Franchisor), and pay Franchisor a royalty fee of ten percent (10%) on Gross Sales. Gross Sales shall not include sales tax or use tax. Royalty fees are due on or before the tenth (10th) day of the next calendar month, based on the preceding month's Gross Sales. **Failure to execute this Rider, and/or properly disclose and report Gross Sales revenue from outside of Area Director's protected territory, will result in Area Director's forfeiture of 100% of Gross Sales for all services provided and products sold outside of its protected territory.**

(b) **National Advertising Fund.** Area Director agrees to pay Franchisor an advertising fee of two percent (2%) of Gross Sales per month based on services provided and products sold outside of the Area Director's protected zip codes, set forth in the Exhibit A of their Franchise Agreement. Gross Sales do not include sales tax or use tax. Advertising fees are due on or before the tenth (10th) day of the next calendar month, based on the preceding month's Gross Sales.

7. AMENDMENT. Any modification or change in or to this Rider must be in writing and signed by each of the parties thereto and this Rider and any modification or change thereto must be approved in writing by Franchisor before this Rider or any modification or change can take effect or bind either party.

Intending to be bound, Franchisor and Area Director sign and deliver this Rider in two (2) counterparts effective on the Effective Date, regardless of the actual date of signature.

ACTI-KARE, INC.

AREA DIRECTOR

By: _____

By: _____

Title: _____

(Print): _____

Date: _____

Title: _____

Date: _____

EXHIBIT D TO THE DISCLOSURE DOCUMENT

OPERATIONS MANUAL

TABLE OF CONTENTS

**TABLE OF CONTENTS
OF
OPERATIONS MANUAL**

TOPIC	BEGINNING PAGE	TOTAL PAGES
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Table of Contents	2	1
The Basics	3	4
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Initial Client Phone Call	75	16
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Problem Solving	124	4
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Dementias/Alzheimer's Disease	132	6
Glossary of Terms	138	7
Record Keeping	145	30
Frequently Asked Questions	175	7
TOTAL PAGES		181

EXHIBIT E TO THE DISCLOSURE DOCUMENT

LIST OF FRANCHISE OWNERS

AS OF DECEMBER 31, 20223

**LIST OF FRANCHISED ACTIKARE® BUSINESS
AS OF DECEMBER 31, 2023**

<u>ALABAMA</u>	
<u>Mark Knight</u> <u>7363 Mill Creek Drive</u> <u>Dora, AL 35062</u> <u>(205) 517-7752</u>	<u>ML Capital Group, Inc. *</u> <u>7237 Cahawba Lane</u> <u>Leeds, AL 35094</u> <u>(205) 352-9553</u>
<u>ARIZONA</u>	
<u>Ricky Keller</u> <u>10235 N 31st Street, Unit 16</u> <u>Phoenix, AZ 85028</u> <u>(480) 863-1851</u>	<u>Ricky Keller</u> <u>10235 N 31st Street, Unit 16</u> <u>Phoenix, AZ 85028</u> <u>(480) 863-1851</u>
<u>Edna Kinser</u> <u>8215 W Illini Street</u> <u>Phoenix, AZ 85043</u> <u>(480) 565-6750</u>	<u>Todd and Patricia Arndt</u> <u>16410 W Soft Wind Drive</u> <u>Surprise, AZ 85387</u> <u>(623) 250-5542</u>
<u>ML Capital Group, Inc.*</u> <u>15310 Amberly Dr., Ste 175</u> <u>Tampa, FL 33647</u> <u>(813) 345-4754</u>	
<u>ARKANSAS</u>	
<u>Gregory and Natalia Fitch</u> <u>420 Hill Loop</u> <u>Romance, AR 72136</u> <u>(501) 424-0057</u>	
<u>CALIFORNIA</u>	
<u>EMJ Enterprises</u> <u>1940 N. Maple Ln</u> <u>Arlington Heights, IL 60004</u> <u>(847) 577-9906</u>	<u>John Fahey</u> <u>1940 N. Maple Ln</u> <u>Arlington Heights, IL 60004</u> <u>(847) 577-9906</u>
<u>Samantha Toder</u> <u>356 S Rexford Drive, #6</u> <u>Beverly Hills, CA 90212</u> <u>(888) 451-5273</u>	<u>Brandon Moerke/ Ben Cheung</u> <u>1645 Wintergreen Lane, Unit D</u> <u>Corona, CA 92879</u> <u>(888) 451-5273</u>
<u>Manish Gandhi and Tarun Bhardwaj</u> <u>6925 Kenton Place</u> <u>Eastvale CA 92880</u> <u>(949) 397-6069</u>	<u>Manish Gandhi and Tarun Bhardwaj</u> <u>6925 Kenton Place</u> <u>Eastvale CA 92880</u> <u>(949) 397-6069</u>
<u>Manish Gandhi and Tarun Bhardwaj</u> <u>6925 Kenton Place</u> <u>Eastvale CA 92880</u> <u>(949) 397-6069</u>	<u>Linda Tenefrancia</u> <u>29596 Dixon, Apt 57</u> <u>Hayward, CA 94544</u> <u>(510) 254-4575</u>
<u>Kamara Viau</u> <u>3972 Barranca Pkwy, Ste J</u> <u>Irvine, CA 92606-8291</u> <u>(949) 658-3026</u>	<u>Mariatu Kamara</u> <u>17094 Rail Way</u> <u>Lathrop, CA 95330</u> <u>(209) 650-0411</u>

<u>Mariatu Kamara</u> <u>17094 Rail Way</u> <u>Lathrop, CA 95330</u> <u>(209) 650-0411</u>	<u>Mariatu Kamara</u> <u>17094 Rail Way</u> <u>Lathrop, CA 95330</u> <u>(209) 650-0411</u>
<u>Bette Quan</u> <u>1200 Gariota Avenue #307</u> <u>Long Beach, CA 90813</u> <u>(347) 352-3314</u>	<u>Armen Taymazyan</u> <u>28622 Bridgewater Lane</u> <u>Menifee, CA 92584</u> <u>(888) 451-5273</u>
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Mary Wiredu 20251 Tarpon Bay Lane Cypress, TX 77433 (281) 892-1424	Jay Williams 11601 Audelia Road, Apt 210 Dallas, TX 75243 (469) 200-1410
Paul Williams 3586 Sangani Blvd. D'Iberville, MS 39540 (888) 451-5273	Paul Williams 3586 Sangani Blvd. D'Iberville, MS 39540 (888) 451-5273
Josephine Granat 17230 Blairwood Drive Houston, TX 77049 (888) 451-5273	Sylvanus Nacheri 1400 Broadfield Blvd, Suite #200 Houston, TX 77084 (832) 892-8300
Cathy Cortez 2800 E League City Parkway League City, TX 77573 (281) 968-5037	Theresa Wolfe 2907 Nicholas Cove New Braunfels, TX 78130 (888) 451-5273
Carlos Ramirez and Adriana Acevedo 5010 Rollingstone Road Richmond, TX 77407 (888) 451-5273	Anderson and Patience Ogunbor 5834 Chaste Court Rosenberg, TX 77469 (888) 451-5273
Susan Chabot 5706 Spring Moon San Antonio, TX 78247 (210) 202-0613	ML Capital Group, Inc.* 15310 Amberly Drive, Ste 175 Tampa, FL 33647 (972) 445-7382
VIRGINIA	
Azeb Gibe 9495 Merriment Trace Circle Bristow, VA 20136 (888) 451-5273	Steven Jewell 614 3 rd Street Culpeper, VA 22701 (540) 727-0024
Steven Jewell 614 3 rd Street Culpeper, VA 22701 (540) 727-0024	Grady Sessoms 1469 Turkeyfoot Road Forest, VA 24551 (434) 509-9070
John Moisa 101 W. Otter Ridge Drive Goode, VA 24556 (540) 443-6223	Lorena Alarcon and Jose Coripuna 10649 McCormick Farm Drive Manassas, VA 20110 (888) 451-5273
Martin Perez 9741 Pemberton Crossing Drive Richmond, VA 23294 (804) 909-9330	Onyinye and Austin Adiele 3575 Bridge Road Street 8 Suffolk, VA 23435 (888) 451-5273
Tammy and Jesse Garnett 176 Dagger Lane Wytheville, VA 24382 (276) 208-7413	
WASHINGTON	
Abidemi Apata 4356 Andasio Loop SE Port Orchard, WA 98366 (888) 451-5273	Veronica Griffiths 22609 NE 166 th Street Woodinville, WA 98077 (425) 953-1497

Veronica Griffiths 22609 NE 166th Street Woodinville, WA 98077 (425) 953-1497	
WISCONSIN	
Gary Zarko W. 6302 Bluff Road Whitewater, WI 53190 (262) 458-0583	

* Franchises operated or supported by an Affiliate

EXHIBIT F TO THE DISCLOSURE DOCUMENT

FRANCHISEES WHO HAVE LEFT THE SYSTEM

**LIST OF FRANCHISES LOST ACTIKARE® BUSINESS
AS OF DECEMBER 31, 2022³**

<u>CALIFORNIA</u>	
<u>Advait Bhatt</u> <u>8236 Garden Gate</u> <u>Chino, CA 91708</u> <u>(888) 451-5273</u> <u>Reacquired</u>	<u>Maria Barreno</u> <u>34562 Quarry Court</u> <u>Murrieta, CA 92563</u> <u>(951) 348-9685</u> <u>Reacquired</u>
<u>Patrick Murphy & Payton Ortolani</u> <u>33431 Harvest Way</u> <u>Wildomar, CA 92595</u> <u>(951) 417-4789</u> <u>Reacquired</u>	
<u>CANADA</u>	
<u>Inusa Inu-Umoru</u> <u>7548 Terragar Blvd</u> <u>Mississauga, ON L5N 8H6</u> <u>(647) 362-0685</u> <u>Transferred</u>	
<u>CONNECTICUT</u>	
<u>Davia Smith</u> <u>347 Shelton Ave</u> <u>New Haven, CT 06511</u> <u>(475) 414-4161</u> <u>Reacquired</u>	
<u>FLORIDA</u>	
<u>Ashford Consolidated, Inc./ Durrand Ashford</u> <u>2586 Woodside Ridge Drive</u> <u>Apopka, FL 32712</u> <u>(352) 835-5655</u> <u>Reacquired</u>	<u>Thomas and Leslie Hedick</u> <u>8429 Silverbell Loop</u> <u>Brooksville, FL 34613</u> <u>(352) 592-0440</u> <u>Reacquired</u>
<u>Thomas and Leslie Hedick</u> <u>8429 Silverbell Loop</u> <u>Brooksville, FL 34613</u> <u>(352) 592-0440</u> <u>Reacquired</u>	<u>Rick & Isabella May</u> <u>1652 Fairway Ridge Drive</u> <u>Fleming Island, FL 32003</u> <u>(904) 302-9195</u> <u>Reacquired</u>
<u>Roger Campbell</u> <u>1792 Bell Tower Lane</u> <u>Weston, FL 33326</u> <u>(954) 416-3840</u> <u>Reacquired</u>	<u>Shannon Alley</u> <u>75077 Glenspring Way</u> <u>Yulee, FL 32097</u> <u>(888) 451-5273</u> <u>Reacquired</u>
<u>ILLINOIS</u>	
<u>Michelle Pauldon</u> <u>5377 Mayflower Court</u> <u>Rolling Meadows, IL 60008</u> <u>(224) 324-8355</u> <u>Reacquired</u>	
<u>NEW JERSEY</u>	

<u>Sheetal Shah and Sweta Shah</u> <u>5 Castle Court</u> <u>North Brunswick, NJ 08902</u> <u>(888) 451-5273</u> <u>Reacquired</u>	<u>Sheetal Shah and Sweta Shah</u> <u>5 Castle Court</u> <u>North Brunswick, NJ 08902</u> <u>(888) 451-5273</u> <u>Reacquired</u>
<u>PENNSYLVANIA</u>	
<u>Flaviano and Sharon Rosal</u> <u>4166 Ironbridge Drive</u> <u>Collegeville, PA 19426</u> <u>(484) 975-0637</u> <u>Reacquired</u>	<u>Monica Gay</u> <u>587 Highland Street</u> <u>Harrisburg, PA 17113</u> <u>(717) 461-2822</u> <u>Reacquired</u>
<u>Kateline Lauture</u> <u>6241 Farnsworth Street</u> <u>Philadelphia, PA 19149</u> <u>(888) 451-5273</u> <u>Reacquired</u>	
<u>SOUTH CAROLINA</u>	
<u>Olayemi Faminu</u> <u>1320 Main Street</u> <u>Columbia, SC 28201</u> <u>(888) 451-5273</u> <u>Reacquired</u>	
<u>TEXAS</u>	
<u>Chantell Link</u> <u>14711 Bronze Finch Drive</u> <u>Cypress, TX 77433</u> <u>(713) 894-7674</u> <u>Reacquired</u>	<u>Jay Williams</u> <u>11601 Audelia Road, Apt 210</u> <u>Dallas, TX 75243</u> <u>(469) 200-1410</u> <u>Reacquired</u>
<u>Sylvanus Nacheri</u> <u>1400 Broadfield Bvd, Suite #200</u> <u>Houston, TX 77084</u> <u>(832) 892-8300</u> <u>Reacquired</u>	<u>Cathy Cortez</u> <u>2800 E League City Parkway</u> <u>League City, TX 77573</u> <u>(281) 968-5037</u> <u>Reacquired</u>
<u>Anderson and Patience Ogunbor</u> <u>5834 Chaste Court</u> <u>Rosenberg, TX 77469</u> <u>(888) 451-5273</u> <u>Reacquired</u>	
<u>VIRGINIA</u>	
<u>John Moisa</u> <u>101 W. Otter Ridge Drive</u> <u>Goode, VA 24556</u> <u>(540) 443-6223</u> <u>Reacquired</u>	<u>Onyinye and Austin Adiele</u> <u>3575 Bridge Road Street 8</u> <u>Suffolk, VA 23435</u> <u>(888) 451-5273</u> <u>Reacquired</u>

ARIZONA

Lloyd Noble 2393 N 142 Ave Goodyear, AZ 85395 (602) 835-6589 Reacquired	Lloyd Noble 2393 N 142 Ave Goodyear, AZ 85395 (602) 835-6589 Reacquired
Bryan Onuselogu 17769 W Cassia Way Goodyear, AZ 85338 (219) 244-2709 Transferred	
CALIFORNIA	
Jay Wu 2455 Prospect Street #123 Berkley, CA 94704 (888) 451-5273 Reacquired	Kara Avery 2901 W 82 nd Place Inglewood, CA 90305 (888) 451-5273 Reacquired
Claro and Lanea Jueco 1420 Thorsen Avenue Modesto, CA 95355 (209) 689-0102 Reacquired	
FLORIDA	
Nashae & Kristine Hall 2436 Cedar Knoll Drive Apopka, FL 32712 (321) 396-5279 Reacquired	Kamal Mohammad 6233 Tributary Street Pensacola, FL 32526 (850) 610-2260 Reacquired
GEORGIA	
Nathaniel and LaDonna Smiley 8246 Chesnut Court Jonesboro, GA 30236 (888) 451-5273 Reacquired	Hasiyatou Sali 442 Braemore Mill Drive Lawrenceville, GA 30044 (888) 451-5273 Reacquired
Jeetu Kancharla 1840 Apollo Drive Suwanee, GA 30024 (888) 451-5273 Transferred	
IOWA	
Chasidy Spann 2742 E 53 rd Street #7 Davenport, IA 52807 (888) 451-5273 Reacquired	
MASSACHUSETTS	
Michal Kuyateh 32 Wentworth Ave Stoughton, MA 02072 (781) 886-2254 Reacquired	

MISSISSIPPI	
Kara Avery 2115 Stable Lane Jackson, MS 39212 (769) 218-6885 Reacquired	
NEW MEXICO	
Aleitress Owens 2852 Merlot Drive SW Albuquerque, NM 87121 (505) 796-4554 Reacquired	
NEW YORK	
Lou DiStasi 177A E Main Street New Rochelle, NY 10801 (978) 884-4992 Reacquired	
NORTH CAROLINA	
Betty Dillard 4011 Greenmead Road Winston Salem, NC 27106 (888) 451-5273 Reacquired	
SOUTH CAROLINA	
Alan and Irene Yong 354 Poets Walk Irmo, SC 29063 (803) 569-1843 Reacquired	Harlen Kastner 204 Buttercup Lane Summerville, SC 29486 (843) 952-6116 Reacquired
Harlen Kastner 204 Buttercup Lane Summerville, SC 29486 (843) 952-6116 Reacquired	
TEXAS	
Rebecca Apo 16760 Ronald Reagan Blvd Leander, TX 78641 (888) 451-5273 Reacquired	
VIRGINIA	
Shawn and Monica Brown 10624 Spurloch Court Glen Allen, VA 23509 (804) 264-2829 Reacquired	

EXHIBIT G TO THE DISCLOSURE DOCUMENT

STATE SPECIFIC

ADDENDA / RIDERS

**ADDENDUM TO THE
FRANCHISE DISCLOSURE DOCUMENT FOR
ACTIKARE, INC.
STATE OF CALIFORNIA**

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

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

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with this Disclosure Document.

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.

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

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

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

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

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

Post-Termination Noncompetition Covenants. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the respective agreement. These provisions may not be enforceable under California law.

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

Arbitration. The Franchise Agreement requires binding arbitration. The arbitration is to occur at the office of the America Arbitration Association in the county in which our principal place of business is located. The cost of the arbitration will be borne by the non-prevailing party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professional 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. This provision may not be enforceable under generally applicable contract defenses such as fraud, duress or unconscionability.

Pursuant to the Home Care Services Consumer Protection Act of 2013 (the “Act”), you must conform to the Licensure and Certificate requirements of the Home Care Services Bureau (“HCSB”) effective January 1, 2016. The Act will apply to California agencies that provide home care services to consumers. Home care services as related to this Act include nonmedical services and assistance provided by a registered home care aide to a client who, perhaps because of advanced age or physical or mental disability, cannot perform these services. These services enable the client to remain in his or her residence and include, but are not limited to, assistance with the following: bathing, dressing, shopping, eating, exercising, and personal hygiene and grooming.

The Franchise Agreement contains a provision requiring you to waive your right to punitive or exemplary damages against the franchisor or any of its representatives, limiting your recovery to actual damages. Under California Corporations Code section 31512, these provisions are not enforceable in California for any claims you may have under the California Franchise Investment Law.

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

**ADDENDUM TO THE
FRANCHISE DISCLOSURE DOCUMENT FOR
ACTIKARE, INC.
STATE OF ILLINOIS**

Illinois law governs the Franchise Agreement.

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

Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, 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.

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

**THIS ILLINOIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE
RESIDENTS OF ILLINOIS OR LOCATE THEIR FRANCHISES IN ILLINOIS.**

**RIDER TO
AREA DIRECTOR FRANCHISE AGREEMENT FOR
ACTIKARE, INC.
FOR USE IN ILLINOIS**

This Rider is entered into this _____, 20__ (the “**Effective Date**”), between **ACTIKARE, INC.**, a Florida corporation, with its principal business address at 15310 Amberly Drive, Suite 175, Tampa, Florida 33647 (“**we**,” “**us**,” “**our**” or “**Franchisor**”), and _____, a _____ whose principal business address is _____

(referred to in this Rider as “**you**,” “**your**” or “**Franchisee**”) and amends the Franchise Agreement between the parties dated as of the Effective Date, (the “**Agreement**”).

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

2. The Illinois Attorney General’s Office requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Illinois Franchise Disclosure Act 815 ILCS 705/1-44 (West 2016). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. Illinois Franchise Disclosure Act paragraphs 705/19 and 705/20 provide rights to the Franchisee concerning non-renewal and termination of the Agreement. If the Agreement contains a provision that is inconsistent with the Act, the Act will control.

b. If the Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule of order under the Act, such release shall exclude claims arising under the Illinois Franchise Disclosure Act, and such acknowledgements shall be void with respect to claims under the Act.

c. If the Agreement requires arbitration or litigation to be conducted in a forum other than the State of Illinois, the requirement is void under the Illinois Franchise Disclosure Act.

d. If the Agreement requires that it be governed by a state’s law, other than the State of Illinois, to the extent that such law conflicts with the Illinois Franchise Disclosure Act, the Act will control.

e. To the extent that Sections 21 of the Agreement requires Operator to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule of order under the Act, such release shall exclude claims arising under the Illinois Franchise Disclosure Act, and such acknowledgements shall be void and hereby deleted with respect to claims under the Act.

f. In conformance with Section 41 of the Illinois Franchise Disclosure Act, 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.

3. Each provisions of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

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

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

ACTIKARE, INC.

FRANCHISEE

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

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

**ADDENDUM TO THE
FRANCHISE DISCLOSURE DOCUMENT FOR
ACTIKARE, INC.
STATE OF MARYLAND**

THIS ADDENDUM (the “**Addendum**”) amends the Franchise Disclosure Document of ACTIKARE, Inc. for its Franchise.

1. Sections (c) and (m) of Item 17 are amended by adding the following language:

The general release required as a condition of renewal, sale, and/or assignment or transfer will not apply to any liability under the Maryland Franchise and Disclosure Law (the “**Maryland Law**”).

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

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

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

**RIDER TO
AREA DIRECTOR FRANCHISE AGREEMENT FOR
ACTIKARE, INC.
FOR USE IN MARYLAND**

THIS RIDER (the “**Rider**”) is effective as of _____, 20____ (the “**Agreement Date**”), and amends the Franchise Agreement dated _____, 20____ (the “**Agreement**”), between **ACTIKARE, INC.** (the “**we**,” “**us**,” “**our**” or “**Franchisor**”) with its principal office at 15310 Amberly Drive, Suite 175, Tampa, Florida 33647, and _____ (“**you**,” “**your**” or “**Franchisee**”), whose mailing address is _____.

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

2. **Limitation of Claims.** Provided, however, that any claims arising under the Maryland Law must be brought within 3 years after the grant of the franchise to you.

3. **Jurisdiction.** Provided, however, that you may bring a lawsuit against us in Maryland for any claims arising under the Maryland Law.

4. **No Waiver.** Nothing in this Agreement is intended to nor will it act as a release, estoppel or waiver of any liability incurred under the Maryland Law.

5. **Effective Date.** This Rider is effective on the Agreement Date regardless of the actual date of signature.

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

Intending to be bound, the parties sign and deliver this Rider to each other as shown below:

Franchisor:
ACTIKARE, INC.

Franchisee:

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

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

**ADDENDUM TO THE
FRANCHISE DISCLOSURE DOCUMENT FOR
ACTIKARE, INC.
STATE OF MINNESOTA**

1. The following Legends are added to ACTIKARE, INC. Franchise Disclosure Document Cover Page for use in the State of Minnesota:

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF SECURITIES OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

IF THIS DISCLOSURE DOCUMENT IS NOT DELIVERED ON TIME, OR IF IT CONTAINS A FALSE, INCOMPLETE, INACCURATE OR MISLEADING STATEMENT, A VIOLATION OF FEDERAL AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C. 20580 AND TO THE COMMISSIONER OF SECURITIES, DEPARTMENT OF COMMERCE, SECURITIES DIVISION, 85 7TH PLACE EAST, SUITE 500, ST. PAUL, MINNESOTA 55101, WHICH ADMINISTERS AND ENFORCES THE MINNESOTA FRANCHISE ACT.

2. The following language is added to Item 13 of the Minnesota Disclosure Document:

ActiKare, Inc. will protect your right to use the ActiKare® Marks and Trade Name or will indemnify you against any loss, costs, or expenses arising out of any claim, suit, or demand regarding your use of the Marks or Trade Name.

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

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, 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 for nonrenewal of the franchise agreement and that consent to transfer of the franchise will not b unreasonably withheld.

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

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

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

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in this disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

**RIDER TO
AREA DIRECTOR FRANCHISE AGREEMENT FOR
ACTIKARE, INC.
FOR USE IN MINNESOTA**

THIS RIDER (the “**Rider**”) is effective as of _____, 20____ (the “**Agreement Date**”), and amends the Franchise Agreement dated _____, 20____ (the “**Agreement**”), between **ACTIKARE, INC.** (the “**we**,” “**us**,” “**our**” or “**Franchisor**”) with its principal office at 15310 Amberly Drive, Suite 175, Tampa, Florida 33647, and _____ (“**you**,” “**your**” or “**Franchisee**”), whose mailing address is _____.

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

2. **Marks.** Section 18 of the Agreement under the heading “Marks”, shall be supplemented by the following new subparagraph 18 (e) entitled "Trademark Rights under Minnesota Law":

“ActiKare, Inc. will protect your right to use the ActiKare® Marks and Trade Name or will indemnify you against any loss, costs, or expenses arising out of any claim, suit, or demand regarding your use of the Marks or Trade Name.”

3. **Termination.** Section 13 of the Agreement is amended to add the following:

With respect to franchises governed by Minnesota Law, we will comply with Minn. Stat. Sec. 80C.14, 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 for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.

4. **Jurisdiction.** The following is added to Section 21(c):

Minn. Stat. Sec. 80C.,21 and Minn. Rules 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the disclosure document or franchise agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

5. **Transfer.** Section 15 of the Agreement is amended to add the following:

Franchise Act, Sec. 80C.14, Subd. 5., requires that we will not unreasonably withhold consent to an assignment, transfer, or sale of the franchise whenever the franchisee to be substituted meets the present qualifications and standards required of the franchisees of the particular franchisor.

6. **Release.** Section 9 of the Agreement is amended to add the following:

If the Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Franchise Act, such release shall exclude claims arising under the Franchise Act, and such acknowledgements shall be void with respects to claims under the Act.

7. A Franchisee may file a civil lawsuit in Minnesota for claims arising under Minn. Stat. §80C.17, Subd. 5. Any claims arising under Minn. Stat. §80C.17, Subd. 5 must be brought within three years after the cause of action accrues.

8. Minn. Stat. Sec. 80C.06, Subd. 5 requires you to receive the Disclosure Document at the earlier of: (i) seven days prior to signing the Franchise Agreement; or (ii) seven days prior to our receipt of any consideration.

9. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Minnesota law applicable to the provision are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

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

FRANCHISOR:
ACTIKARE, INC.

FRANCHISEE:

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

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

ADDENDUM TO ACTIKARE, INC.
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF NEW YORK

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 A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. 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 the “Summary” sections of Item 17(c), titled **“Requirements for franchisee to renew or extend,”** and Item 17(m), entitled **“Conditions for franchisor approval of transfer”**:

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

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

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

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

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

THIS NEW YORK ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF NEW YORK OR LOCATE THEIR FRANCHISES IN NEW YORK.

**ADDENDUM TO THE
FRANCHISE DISCLOSURE DOCUMENT FOR
ACTIKARE, INC.
STATE OF NORTH DAKOTA**

ALTHOUGH THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF NORTH DAKOTA, REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE STATE OF NORTH DAKOTA THAT THE INFORMATION PROVIDED IN THIS DISCLOSURE DOCUMENT IS TRUE, COMPLETE, ACCURATE OR NOT MISLEADING.

NORTH DAKOTA LAW MODIFICATIONS

1. The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota Law, including the North Dakota Franchises Investment Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17 (1993). To the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. If the Franchisee is required in the Franchise Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Law, or a rule or order under the Law, such release shall exclude claims arising under North Dakota Law, and such acknowledgements shall be void with respect to claims under the Law.
- b. Covenants not to compete during the term and upon termination or expiration of the Franchise Agreement are enforceable only under certain conditions according to North Dakota Law. If the Franchise Agreement contains a covenant not to compete which is inconsistent with North Dakota Law, the covenant may be unenforceable.
- c. If the Franchise Agreement requires litigation to be conducted in a forum other than the State of North Dakota, the requirement is void with respect to claims under North Dakota Law.
- d. If the Franchise Agreement requires that it be governed by a state's law, other than the State of North Dakota, to the extent that such law conflicts with North Dakota Law, North Dakota Law will control.
- e. If the Franchise Agreement requires mediation or arbitration to be conducted in a forum other than the State of North Dakota, the requirement may be unenforceable under North Dakota Law. Arbitration involving a franchise purchased in the State of North Dakota must be held either in a location mutually agreed upon prior to the arbitration or if the parties cannot agree on a location, the location will be determined by the arbitrator.
- f. If the Franchise Agreement requires payment of a termination penalty, the requirement may be unenforceable under the North Dakota Franchise Investment Law.
- g. Section 51-19-08 of the North Dakota Franchise Investment Law requires franchisor to give you a copy of the Franchise Disclosure Document at the earlier of: (i) seven days

prior to signing the franchise agreement; or (ii) seven days prior to franchisor's receipt of any consideration.

2. THE SECURITIES COMMISSIONER HAS HELD THE FOLLOWING TO BE UNFAIR, UNJUST OR INEQUITABLE TO NORTH DAKOTA FRANCHISEES (SECTION 51-19-09, N.D.C.C.):

- A) Restrictive Covenants: Franchise Disclosure Documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to the statute.
- B) Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.
- C) Restrictions of Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
- D) Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
- E) Applicable Laws: Franchise agreements which specify that they are to be governed by the laws of a state other than North Dakota.
- F) Waiver of Trial by Jury: Requiring North Dakota Franchises to consent to the waiver of a trial by jury.
- G) Waiver of Exemplary & Punitive Damages: Requiring North Dakota Franchisees to consent to a waiver of exemplary and punitive damage.
- H) General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.
- I) Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
- J) Enforcement of Agreement: Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

3. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of North Dakota Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

**ADDENDUM TO THE
FRANCHISE DISCLOSURE DOCUMENT FOR
ACTIKARE, INC.
STATE OF INDIANA**

The Franchise Agreement requires binding arbitration. The arbitration will occur in a state other than Indiana, with costs being borne by the non-prevailing party. The provision concerning the place where arbitration will occur is deleted from the Indiana Franchise Agreement.

The Franchise Agreement requires application of the laws of another state. This provision is deleted from the Indiana Franchise Agreement.

Item 17 of the Disclosure Document, Sections (u), (v), and (w), is amended to omit any reference to selection of an out-of-Indiana forum or choice of law.

**ADDENDUM TO THE
FRANCHISE DISCLOSURE DOCUMENT FOR
ACTIKARE, INC.
STATE OF RHODE ISLAND**

The Rhode Island Securities Division requires the following specific disclosures to be made to prospective Rhode Island franchisees:

In spite of the provisions of Item 17v and Item 17w of the Disclosure Document, any litigation or arbitration arising under the Franchise Agreement will take place in Rhode Island or other place mutually agreed to by the franchisee and franchisor. In spite of the provisions of Section 21 of the Franchise Agreement and to the extent required by Section 19-28.1-14 of the Rhode Island Franchise Investment Act, the Franchise Agreement will be governed by the laws of the State of Rhode Island.

**ADDENDUM TO THE
FRANCHISE DISCLOSURE DOCUMENT FOR
ACTIKARE, INC.
STATE OF WASHINGTON**

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

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

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

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

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

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

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

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

**RIDER TO
AREA DIRECTOR FRANCHISE AGREEMENT FOR
ACTIKARE, INC.
FOR USE IN WASHINGTON**

THIS RIDER (the “**Rider**”) is effective as of _____, 20____ (the “**Agreement Date**”), and amends the Franchise Agreement dated _____, 20____ (the “**Agreement**”), between **ACTIKARE, INC.** (the “**we**,” “**us**,” “**our**” or “**Franchisor**”) with its principal office at 15310 Amberly Drive, Suite 175, Tampa, Florida 33647, and _____ (“**you**,” “**your**” or “**Franchisee**”), whose mailing address is _____.

Precedence and Defined Terms. This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

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

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

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

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

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

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any

employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

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

FRANCHISOR:
ACTIKARE, INC.

FRANCHISEE:

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

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

**ADDENDUM TO THE
FRANCHISE DISCLOSURE DOCUMENT FOR
ACTIKARE, INC.
STATE OF WISCONSIN**

Franchise Disclosure Document for ACTIKARE, INC. for use in the State of Wisconsin shall be amended as follows:

Cover Page:

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE WISCONSIN FRANCHISE INVESTMENT LAW. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF SECURITIES OF WISCONSIN OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THIS DISCLOSURE DOCUMENT AND THE FRANCHISE AGREEMENTS ARE SUBJECT TO THE WISCONSIN FRANCHISE INVESTMENT LAW.

1. Item 17, Renewal, Termination, Transfer and Dispute Resolution, shall be amended by the addition of the following paragraphs at the conclusion of the Item 17 disclosures under the Local Store Franchise headings:

"To the extent that the provisions regarding renewal described in this section are inconsistent with the requirements of the Wisconsin Fair Dealership Law (which, among other things, grants You the right, in most circumstances, to 90 days prior written notice of termination and 60 days within which to remedy any claim deficiencies), the renewal provisions will be superseded by the requirements of the Wisconsin Fair Dealership Law and will have no force or effect."

"To the extent that the provisions regarding termination described in this section are inconsistent with the requirements of the Wisconsin Fair Dealership Law (which, among other things, grants You the right, in most circumstances, to 90 days prior written notice to termination and 60 days within which to remedy any claim deficiencies), the termination provision will be superseded by the requirements of the Wisconsin Fair Dealership Law and will have no force or effect."

"To the extent that the provisions regarding termination described in the Franchise Agreement regarding repurchase of inventory are inconsistent with the requirements of §135.045 of the Wisconsin Fair Dealership Law, the above-mentioned provisions will be superseded by the Law's requirements, which states that if ACTIKARE, at the option of You, repurchases inventory which was sold by ACTIKARE to You for resale, fair wholesale market value must be paid for all merchandise bearing a name, trade name, label or other mark which identifies ACTIKARE."

"Covenants not to compete during the term of and upon termination or expiration of a Franchise Agreement are enforceable only under certain conditions according to Wisconsin Law."

Section 553.27 of the Wisconsin Fair Dealership Law requires franchisor to give you a copy of the Franchise Disclosure Document at the earlier of: (i) 10 business days prior to signing the franchise agreement; or (ii) 10 business days prior to franchisor's receipt of any consideration.

Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Wisconsin law applicable to the provision are met independent of the Addendum. This Addendum shall have no force or effect if such jurisdictional requirements are not met.

**RIDER TO
AREA DIRECTOR FRANCHISE AGREEMENT FOR
ACTIKARE, INC.
FOR USE IN WISCONSIN**

In recognition of the Wisconsin Fair Dealership Law, Wisconsin Statutes, §§ 135.01 -135.07, the parties to the attached ACTIKARE Franchise Agreement (the "Agreement") agree as follows:

1. Section 9 of the Agreement, under the heading "AGREEMENT TERM AND RENEWAL", shall be supplemented by the addition of a new final paragraph as follows:

"To the extent that the provisions of Section 9 regarding renewal are inconsistent with the requirements of the Wisconsin Fair Dealership Law (which, among other things, grants You the right, in most circumstances, to 90 days prior written notice to termination and 60 days within which to remedy any claims deficiencies), said renewal provision will be superseded by the requirement of the Wisconsin Fair Dealership Law and will have no force or effect."

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Rider to the Franchise Agreement in duplicate on the day and year first above written.

FRANCHISOR:
ACTIKARE, INC.

FRANCHISEE:

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

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

**ADDENDUM TO THE
FRANCHISE DISCLOSURE DOCUMENT FOR
ACTIKARE, INC.
STATE OF SOUTH DAKOTA**

Item 17, Renewal, Termination, Transfer and Dispute Resolution is amended as follows:

The Franchise Agreement includes a covenant not to compete after termination of the franchise. Covenants not to compete upon termination or expiration of the franchise agreement are generally unenforceable in the State of South Dakota, except in certain instances provided by law.

The Franchise Agreement provides for arbitration in Florida. Under South Dakota law, arbitration must be conducted in a mutually agreed upon site in accordance with Section 11 of the Commercial Arbitration Rules of the American Arbitration Association.

The Franchise Agreement designates Florida law as the governing law, except that the arbitration clause is to be construed under the Federal Arbitration Act. Franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of South Dakota; but contractual and all other matters, will be subject to application, construction, enforcement, and interpretation under the governing law of Florida.

Any provision in a franchise agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue outside South Dakota is void with respect to any cause of action which is governed by the law of South Dakota.

Under South Dakota law, termination provisions covering breach of the franchise agreement, failure to meet performance and quality standards, and failure to make royalty payments contained in the disclosure document and franchise agreement must afford a franchisee thirty (30) days written notice with an opportunity to cure the default prior to termination.

**RIDER TO
ACTIKARE, INC.
AREA DIRECTOR FRANCHISE AGREEMENT
FOR USE IN SOUTH DAKOTA**

This Rider is entered into this _____, 20____ (the “**Effective Date**”), between ACTIKARE, INC., A Florida corporation, with its principal business address at 15310 Amberly Drive, Suite 175, Tampa, Florida 33647 (“**we**,” “**us**,” “**our**” or “**Franchisor**”), and _____, a _____ whose principal business address is _____ (referred to in this Rider as “**you**,” “**your**” or “**Franchisee**”) and amends the Franchise Agreement between the parties dated as of the Effective Date, (the “**Agreement**”).

1. **Precedence and Defined Terms.** This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.
2. **Termination.** The following is added to Section 13:
You will have 30 days written notice with an opportunity to cure prior to termination for the following: breach of the franchise agreement, failure to meeting performance and quality standards and failure to make royalty payments.
3. **Covenants Not to Compete.** Covenants not to compete on termination or expiration of a franchise agreement are generally unenforceable in the state of South Dakota, except in certain instances as provided by law. This statement is given for informational purposes only.
4. **Jurisdiction and Venue.** Any provision which designates jurisdiction or venue or requires you to agree to jurisdiction or venue in a forum outside South Dakota is void with respect to any cause of action which is otherwise enforceable in South Dakota.

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

**FRANCHISOR
ACTIKARE, INC.**

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

FRANCHISEE

By: _____
Name: _____
Title: _____
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	June 2, 2023, as amended September 19, 2023 <u>Pending</u>
Illinois	April 28, 2023, as amended September 15, 2023 <u>Pending</u>
Indiana	June 21, 2023, as amended September 14, 2023 <u>Pending</u>
Michigan	<u>Pending</u>
Minnesota	June 12, 2023, as amended, October 2, 2023 <u>Pending</u>
Rhode Island	April 25, 2023, as amended September 26, 2023 <u>Pending</u>
Virginia	June 21, 2023, as amended September 19, 2023 <u>Pending</u>
Washington	June 21, 2023, as amended September 20, 2023 <u>Pending</u>
Wisconsin	April 28, 2023, as amended September 14, 2023 <u>Pending</u>

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 provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If ActiKare, Inc. offers you a franchise, we 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.

New York and Rhode Island require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan, Oregon and Wisconsin require that we give you this Disclosure Document at least 10 business days before the execution of any franchise or other agreement or the payment of any consideration, whichever occurs first.

If ActiKare, Inc. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit A.

Franchise Seller: Mark Lucas, CEO, ActiKare, Inc., 15310 Amberly Drive, Suite 175, Tampa, Florida 33647; Telephone: 813-549-0965.

*Franchise Broker: _____
Name/ Principal Business Address/Telephone Number*

*Franchise Sellers: _____
Name/ Principal Business Address/Telephone Number*

Date of Issuance: April 30¹, 2023⁴, as amended September 10, 2023

See Exhibit A for our registered agents authorized to receive service of process.

I have received a Franchise Disclosure Document dated April 30¹, 2023⁴, as amended September 10, 2023. This Disclosure Document included the following Exhibits:

- A. List of State Agencies/Agents for Service of Process
- B. Financial Statements
- C. Franchise Agreement
 - Exhibit A Territory and Franchise Fee
 - Exhibit B Franchise Package
 - Rider A Unprotected Territory Rider
- D. Manual Table of Contents
- E. List of Franchise Owners
- F. List of Franchisees Who Have Left the System
- G. State Specific Addenda / Riders

Prospective Franchisee Signature:

Date: (Please do not leave blank)

Print Name:

KEEP THIS COPY FOR YOUR RECORDS.

This Disclosure Document is available in PDF format by electronic transmission upon request.

ITEM 23

RECEIPT

This Disclosure Document summarizes provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If ActiKare, Inc. offers you a franchise, we 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.

New York and Rhode Island require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan, Oregon and Wisconsin require that we give you this Disclosure Document at least 10 business days before the execution of any franchise or other agreement or the payment of any consideration, whichever occurs first.

If ActiKare, Inc. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit A.

Franchise Seller: Mark Lucas, CEO, ActiKare, Inc., 15310 Amberly Drive, Suite 175, Tampa, Florida 33647; Telephone: 813-549-0965.

*Franchise Broker: _____
Name/ Principal Business Address/Telephone Number*

*Franchise Sellers: _____
Name/Principal Business Address/Telephone Number*

Date of Issuance: April 30¹, 2023⁴, ~~as amended September 10, 2023~~

See Exhibit A for our registered agents authorized to receive service of process.

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- A. List of State Agencies/Agents for Service of Process
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 - Rider A Unprotected Territory Rider
- D. Manual Table of Contents
- E. List of Franchise Owners
- F. List of Franchisees Who Have Left the System
- G. State Specific Addenda / Riders

Prospective Franchisee Signature:

Date (Please do not leave blank):

Print Name:

Please sign this copy of the receipt, date your signature, and return it to ActiKare, Inc., 15310 Amberly Drive, Suite 175, Tampa, Florida 33647 [or by electronic transmission \(email\) to us at corporate@actikare.com](mailto:corporate@actikare.com).

This Disclosure Document is available in PDF format by electronic transmission upon request.

ActiKare, Inc.
2023⁴ AKFDD