

FRANCHISE DISCLOSURE DOCUMENT



Mobility City Holdings, Inc.
A Florida corporation
1200 Yamato Road, Suite A9
Boca Raton, FL 33421
561-300-4100
info@mobilitycity.com
www.mobilitycity.com

As a Mobility City franchisee, you will provide mobile repairs, rentals, sales, white glove delivery, and sanitization of mobility equipment. You will also operate a retail showroom for your products and services.

The total investment necessary to begin operation of a Mobility City franchise is \$197,400 to \$460,000. This includes \$47,500 to \$150,000 that must be paid to the franchisor or affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, please contact Diane Baratta at 1200 Yamato Road, Suite A9, Boca Raton, FL 33421 and 561-300-4100.

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 an accountant.

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

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

Issuance date: January 27, 2023; amended June 14, 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 Exhibit G.
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 E 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 Mobility City business in my area?	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What’s it like to be a Mobility City franchisee?	Item 20 or Exhibit G 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 litigation only in Florida. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to litigate with the franchisor in Florida than in your own state.
2. **Minimum Royalty Payments.** You must make minimum royalty and other 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.

**(THE FOLLOWING APPLIES TO TRANSACTIONS GOVERNED BY
THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)**

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

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (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 protection provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months' advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

- (i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
- (ii) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.
- (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 or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general. Any questions regarding this notice should be directed to:

State of Michigan Department of Attorney General
G. Mennen Williams Building, 7th Floor
525 W. Ottawa Street
Lansing, Michigan 48909
Telephone Number: (517) 373 7117

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Exhibits

- A. State Administrators and Agents for Service of Process
 - B. Franchise Agreement (with Guaranty and Non-Compete Agreement)
 - C. Form of Rider for Multiple Showrooms
 - D. Form of General Release
 - E. Financial Statements
 - F. Operating Manual Table of Contents
 - G. Current and Former Franchisees
 - H. State Addenda to Disclosure Document
 - I. State Addenda to Franchise Agreement
 - J. Franchise Deposit Agreement
 - K. Form of Non-Compete Agreement for Key Employees
- State Effective Dates
Receipt (2 copies)

Item 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

In this disclosure document, “we”, “us,” or “our” refers to Mobility City Holdings, Inc. “You” means the person to whom we grant a franchise. If you are a corporation, limited liability company, or other entity, each owner of the franchise entity must sign our Guaranty and Non-Compete Agreement, which means that all of the franchise agreement’s provisions also will apply to your owners.

About Us

Our name is Mobility City Holdings, Inc. Our principal business address is 1200 Yamato Road, Suite A9, Boca Raton, FL 33421. We do not have any parent entities. We do not have any affiliates that offer franchises in any line of business or provide products or services to our franchisees.

We do not have any predecessors.

We use the names “Mobility City Holdings, Inc.”, “Mobility City”, and “Mobility City of Boca Raton”. We do not intend to use any other names to conduct business.

Our agent for service of process in Florida is United States Corporation Agents, Inc., and the agent’s principal business address is 13302 Winding Oak Court, Suite A, Tampa, Florida 33612. Our agents for service of process in other states are disclosed in Exhibit A.

We are a Florida corporation. We were formed on March 9, 2017.

The Franchises Offered

As a Mobility City franchisee, you will develop and operate a mobile business that provides repairs, rentals, sales, white glove delivery, and sanitization of mobility equipment. The equipment we repair, rent, sell and sanitize includes wheelchairs, power chairs, mobility scooters, lift out chairs, hospital beds, and other mobility products, which helps seniors, veterans, injured and disabled persons, young and old. Through our “national account white glove delivery and service” program, you deliver mobility products to the customer, including set up and instructions for use.

Your business will combine both a mobile aspect and a retail operations center and showroom. You will have a territory of over 600,000 people, and you will initially operate one Mobility City van. No later than four weeks following your completion of initial training, you will be required to have your soft opening of your business, which requires that you have acquired and deployed your first van, have hired one technician, and are prepared to service national accounts. You will be required to have your showroom open no later than 180 days following your soft opening. You must acquire and deploy a second van no later than 180 days following your showroom opening. For every additional 500,000 people (or fraction of 500,000) people in your territory, you will need to deploy at least one additional van, on a schedule of one additional van every 12 months.

The general market for Mobility City is any person or business in need of repairing, renting, purchasing, or sanitizing mobility equipment, especially customers who value a service that goes to the customer at their home rather than requiring the customer to bring their equipment to a service center.

Mobility City also serves businesses that provide mobility equipment to customers, such as manufacturers, healthcare facilities, internet sellers, third party administrators, and lead generators. Although you are primarily responsible for obtaining customers, in some circumstances we negotiate contracts with certain businesses, and you will need to serve these businesses according to the terms and conditions that we negotiate.

The market for our services and products is well developed. Sales are not seasonal.

You will compete against other businesses that repair, rent, and/or sell mobility equipment. Most of our competitors are small and independent businesses.

Laws and Regulations

In some states and jurisdictions, you will need a state license to provide or service home medical equipment. To obtain the license (if applicable), you may need to meet certain conditions, such as educational requirements, appropriate location, proof of insurance, and reporting requirements. You alone are responsible for investigating and complying with all applicable laws and regulations, despite any information that we may give you. Before you sign a franchise agreement, you should research, and consult with a legal advisor about, the legal requirements that will apply to your business. You can also contact a license facilitator to assist you in your licensing research before you sign a franchise agreement.

Prior Business Experience

Our affiliate Home Care America of South Florida Inc. operates a Mobility City business in Boca Raton, Florida. This business was started in 1999 in Fort Lauderdale, Florida under the brand name “Home Care America of South Florida”. It was rebranded as “Mobility City” in April 2015. It was relocated to Boca Raton in October 2020.

We do not have any other business activities. We have not offered franchises in other lines of business.

We have offered franchises since 2017. None of our affiliates has offered franchises in other lines of business. None of our affiliates provides products or services to our franchisees.

Item 2 BUSINESS EXPERIENCE

Diane Baratta – Director and President. Diane Baratta has been our Director and President in Boca Raton (and, prior to August 2020, in Fort Lauderdale, Florida), since our founding in March 2017. She has also been Director of Sales and Marketing for the Mobility City retail business since 2015.

Vincent L. Baratta – Chief Operating Officer. Vincent Baratta has been our Chief Operating Officer in Boca Raton (and, prior to August 2020, in Fort Lauderdale, Florida), since our founding in March 2017. He has also been Chief Operating Officer for Mobility City since April 2015.

Ben Fretti – Director of Operations. Ben Fretti has been our Director of Operations in Fort Lauderdale, Florida, since April 2020. He was Design Specialist with Closet Factory in Fort Lauderdale, Florida from January 2019 to April 2020. He was Director of Operations for Flash Restore in Boca Raton, Florida from November 2017 to December 2018. He was Vice President, Franchise Performance for College Hunks Hauling Junk and Moving in Tampa, Florida from January 2017 to October 2017.

Charles Lewis – Director of National Accounts and Franchise Business Development. Charles has been our Director of National Accounts and Franchise Business Development in Boca Raton, Florida since September 2020. Charles was Director of Purchasing at CJM Communities in Boca Raton, FL from February 2018 to March 2020. Previously, he was a Construction Management Consultant at Woolems, Inc. (September to November 2017) and Hanna Homes (January 2016 to September 2017) in Palm Beach and Boca Raton, Florida.

Item 3 LITIGATION

Current litigation: none

Prior litigation:

Downing & Downing LLC, Leeandra Downing and Austin Downing v. Mobility City Holdings, Inc., Diane Baratta and Vincent L. Baratta - Case 01-20-0000-7654. After being terminated for breach of franchise agreement in December 2019, former franchisee Downing & Downing LLC and its owners Austin and Leandra Downing (“Downings”) filed a Demand for Arbitration with the American Arbitration Association on March 3, 2020, claiming various causes of action related to the sale of the franchise, based primarily on allegations that we did not advise them that certain licenses were required to sell and rent mobility equipment, that we stated the business was a home-based business, and that material information was omitted from the franchise disclosure document. The parties settled the case in April 2020 with a payment of funds by us to the Downings.

Other than this one action, no litigation is required to be disclosed in this Item.

Item 4 BANKRUPTCY

Vincent L. Baratta, our Chief Operating Officer, filed a petition under Chapter 7 of the United States Bankruptcy Code in the Bankruptcy Court for the Southern District of Florida on January 12, 2018, for a personal bankruptcy in connection with a divorce. The case number was

18-10432-MAM. He received a discharge on April 13, 2018. His principal place of business is 1200 Yamato Road, Suite A9, Boca Raton, FL 33421.

Other than this one action, no bankruptcy information is required to be disclosed in this Item.

Item 5 INITIAL FEES

Franchise Fee

When you sign your franchise agreement, you must pay us \$47,500, assuming you purchase a standard territory of approximately 600,000 people. If we and you mutually agree that you will purchase a territory with a larger population, the fee for each additional 100,000 people (or fraction thereof) is \$5,000. In 2022, these fees ranged from \$47,500 to \$150,000. These fees are not refundable.

Veteran Discount

We offer a 10% discount on your first franchise if you are a U.S. military veteran who has received a discharge (other than dishonorable). If the franchise is held by a corporation, limited liability company, or other legal entity, the veteran participant must have at least 51% ownership to qualify for this discount. To receive the discount, you must provide us a copy of DD Form 214 reflecting your military status before we sign a franchise agreement.

Territory Deposit

If you desire to reserve a territory while you seek to obtain financing, identify a location, and other initial activities, we and you may mutually agree to enter to in a Franchise Deposit Agreement in the form attached as Exhibit J to this disclosure document. Under the Franchise Deposit Agreement, you will make a \$10,000 deposit with us and reserve a territory. The deposit will be applied to your franchise fee if and when you enter into a franchise agreement. The deposit is refundable if you are denied funding by two independent funding sources or we determine that you do not meet our standards.

**Item 6
OTHER FEES**

Type of Fee	Amount	Due Date	Remarks
Royalty	7% of your adjusted gross sales; after your six months, there is a minimum royalty of \$500 per month for the first 600,000 people in your territory plus \$500 per month for each 500,000 additional population (or fraction thereof)	Monthly, on the 5th day of the following calendar month	See Notes 1 - 4.
Marketing Fund Contribution	1% of your adjusted gross sales	Monthly, on the 5th day of the following calendar month	
Technology Fee	Currently, none.	Monthly, on the 5th day of the following calendar month	We reserve the right to charge a commercially reasonable fee for software and other technology products and services we provide. We may add, remove, or alter the software or technology products or services that we provide. The technology fee will not necessarily be a pass-through of our exact costs.
Replacement / Additional Training fee	Currently, \$1,000 (but no charge for new technicians in your first year of operation)	Prior to attending training	If you send a manager, technician, or other employee to our training program after you open, we have the right to charge our then-current training fee. Any technicians you hire in your first year of operation must be trained at our support center in Boca Raton, Florida. We do not charge for this training, but you will be responsible for their travel expenses. After that period, if you have the ability to properly train new technicians, you may train them.

Type of Fee	Amount	Due Date	Remarks
Third party vendors	Pass-through of costs, plus reasonable administrative charge. Currently, none.	Varies	We have the right to require franchisees to use third-party vendors and suppliers that we designate. Examples can include computer support vendors, mystery shopping, and customer feedback systems. The vendors and suppliers may bill franchisees directly, or we have the right to collect payment for these vendors together with a reasonable markup or charge for administering the payment program.
Software subscription	Currently, \$80	Monthly	We require you to use certain software as described in Item 11. You pay subscription fees directly to the software supplier, and not to us.
Non-compliance fee	\$1,000	On demand	We may charge you \$1,000 if your business is not in compliance with our system specifications or the franchise agreement and you fail to correct the non-compliance after 30 days' notice. Thereafter, we may charge you \$250 per week until you correct such non-compliance.
Reimbursement	Amount that we spend on your behalf, plus 10%	Within 15 days of invoice	If we pay any amount that you owe or are required to pay to a third party, you must reimburse us, plus 10%.
Late fee	\$100 plus interest on the unpaid amount at a rate equal to 18% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law)	On demand	We may charge a late fee if you fail to make a required payment when due.
Insufficient funds fee	\$30 (or, if such amount exceeds the maximum allowed by law, then the maximum allowed by law)	On demand	We may charge an insufficient funds fee if a payment made by you is returned because of insufficient funds in your account.

Type of Fee	Amount	Due Date	Remarks
Costs of collection	Our actual costs	As incurred	Payable if we incur costs (including reasonable attorney fees) in attempting to collect amounts you owe to us.
Breach of territory fee	The greater of (i) \$500 or (ii) 75% of the amount paid by the customer outside of your territory.	On demand	If you serve a customer outside of your territory without our prior written permission, we may impose this fee.
Special support fee	Our then-current fee, plus our expenses. Currently, \$500 per day.	On demand	If we provide in-person support to you in response to your request, we may charge this fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support).
Customer complaint resolution	Our expenses		We may take any action we deem appropriate to resolve a customer complaint about your business. If we respond to a customer complaint, we may require you to reimburse us for our expenses.
Records audit	Our actual cost	On demand	Payable only if (1) we audit you because you have failed to submit required reports or other non-compliance, or (2) the audit concludes that you under-reported adjusted gross sales by more than 3% for any calendar month.
Business evaluation fee	Currently \$600, plus our out-of-pocket costs	On demand	Payable only if we conduct an in-person evaluation of your business because of a governmental report, customer complaint or other customer feedback, or your default or non-compliance with any system specification.
Non-compliance cure costs and fee	Our out-of-pocket costs and internal cost allocation, plus 10%	When billed	We may cure your non-compliance on your behalf (for example, if you do not have required insurance, we may purchase insurance for you), and you will owe our costs plus a 10% administrative fee.
Transfer fee	\$35,000, plus any broker fees we incur	When transfer occurs	Payable if you sell your business.

Type of Fee	Amount	Due Date	Remarks
Liquidated damages	An amount equal to three years of royalty fees and marketing fund contributions	On demand	Payable if we terminate your franchise agreement because of your default, or if you terminate the franchise agreement without the right to do so.
Indemnity	Our costs and losses from any legal action related to the operation of your franchise	On demand	You must indemnify and defend (with counsel reasonably acceptable to us) us and our affiliates against all losses in any action by or against us related to, or alleged to arise out of, the operation of your franchise (unless caused by our misconduct or negligence).
Prevailing party's legal costs	Our attorney fees, court costs, and other expenses of a legal proceeding, if we are the prevailing party	On demand	In any legal proceeding, the losing party must pay the prevailing party's attorney fees, court costs and other expenses.

All fees are payable only to us. All fees are imposed by us and collected by us. All fees are non-refundable. We do not represent that all fees are uniform for all franchisees; we reserve the right to change, waive, or eliminate fees for any one or more franchisees as we deem appropriate.

There are currently no marketing cooperatives, purchasing cooperatives, or other cooperatives that impose fees on you.

Notes

1. “Adjusted Gross Sales” is defined in our franchise agreement as the total dollar amount of all revenue generated through your business for a given period, including, but not limited to, payment for any services or products sold by you (whether for cash or credit). Adjusted Gross Sales also includes freight or any other charges paid by the customer. Adjusted Gross Sales does not include bona fide refunds to customers or sales taxes collected. Currently, our policy with respect to sales to national accounts is that you pay the royalty based on the month that you receive payment (rather than the month that you conducted the sale). We reserve the right to change this policy. With respect to any local sales you choose to conduct on credit, you pay the royalty based on the month that you conducted the sale.

2. You must report your adjusted gross sales to us each month. If you fail to report your adjusted gross sales, we will withdraw estimated royalty fees and marketing fund contributions based on 125% of the most recent adjusted gross sales you reported. We will true-up the actual fees after you report adjusted gross sales.

3. We currently require you to pay royalty fees and other amounts due to us by pre-authorized bank draft. However, we can require an alternative payment method. We do not accept credit cards towards royalty payments.

4. We may change the payment period from monthly to weekly (or other reasonable period we determine), after at least 30 days prior notice to you.

**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 (see Note 1)	\$47,500 - \$150,000	Check or wire transfer	Upon signing the franchise agreement	Us
Rent (one month) (see Note 2)	\$5,000 - \$7,000	Check	Upon signing lease	Landlord
Lease Security Deposit (see Note 2)	\$10,000 - \$14,000	Check	Upon signing lease	Landlord
Utilities	\$500 - \$1,000	Check, debit, and/or credit	Upon ordering service	Utility providers
Leasehold Improvements	\$15,000 - \$45,000	Check	As incurred or when billed	Contractors
Outfitted Vehicle with Work Tent (see Note 3)	\$6,000 - \$60,000	Check	Upon purchase	Vendor
Equipment and Tools	\$7,000 - \$10,000	Check, debit, and/or credit	As incurred	Vendors and suppliers
Computer Systems and Software Subscriptions / Maintenance	\$2,000 - \$5,000	Check, debit, and/or credit	As incurred	Vendors and suppliers
Email accounts	\$150 - \$500	Debit or credit	Upon purchase	Vendor
Printing, Interior Signage, and Marketing Materials	\$7,000 - \$10,000	Check, debit, and/or credit	As incurred	Vendors and suppliers
Grand Opening Marketing (Traditional, Digital & Social)	\$10,000 - \$20,000	Check, debit, and/or credit	As incurred or when billed	Vendors and suppliers
Assisted Living Association Membership	\$750 - \$1,500	Debit or credit	Upon purchase	Association

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Insurance	\$4,000 - \$8,000	Check	Upon ordering	Insurance company
Office Expenses	\$1,500 - \$3,000	Check, debit, and/or credit	As incurred	Vendors
Inventory (home medical equipment such as wheelchairs and mobility scooters)	\$50,000 - \$65,000	Check, debit, and/or credit	Upon ordering	Vendors
Licenses and Permits	\$1,000 - \$2,000	Check	Upon application	Government
Professional Fees (lawyer, accountant, etc.)	\$1,000 - \$2,000	Check, debit, and/or credit	As incurred or when billed	Professional service firms
Travel, lodging and meals for initial training	\$4,000 - \$6,000	Cash, debit, and/or credit	As incurred	Airlines, hotels, and restaurants
Additional funds (for first 6 months) (see Note 4)	\$25,000 - \$50,000	Varies	Varies	Employees, suppliers, utilities
Total	\$197,400 - \$460,000			

Your lease security deposit and utility deposits will usually be refundable unless you owe money to the landlord or utility provider. None of the other expenditures in this table will be refundable. Neither we nor any affiliate finances any part of your initial investment.

Notes

1. The initial franchise fee is \$47,500 for territory of approximately 600,000 people. If we and you mutually agree that you will purchase a territory with a larger population, the fee for each additional 100,000 people (or fraction thereof) is \$5,000. In this Item 7, the high-end estimate assumes you purchase a territory of 1,500,000 people. If you want to develop a larger population, our policy is that you would sign multiple franchise agreements, each with a separate territory and separate showroom.

2. You will need a retail space for sales, customer service, operations, and storage. It should be approximately 2,000 to 3,000 square feet, with a rear freight door access. Our estimates in this table assume you pay one month rent plus a security deposit equal to two months' rent before you open for business. We expect that you will rent your location. If you choose to purchase real estate instead of renting, your costs will be significantly different.

3. You must purchase a new or lightly used van. You must have our approval before you can purchase any vehicles. The current list of approved vehicles includes: Nissan NV 1500 or NV 2500, Dodge Ram Promaster 1500 or 2500, Ford Transit 250, Chevy Express 2500, GMC Savanah Cargo van, and Mercedes Benz Sprinter. All initial and additional vehicles, new or

used, must be approved by us in advance of your purchase. You will be required to configure the van with shelving, driver partition, rubber flooring and the approved vinyl wrap provided by our approved vendor. The shelving, partition, flooring, and wrap will be installed locally in your market. The low-end estimate is your initial payment if you finance your vehicle. The high-end estimate is the cost to purchase a new vehicle.

4. This includes any other required expenses you will incur before operations begin and during the 6-month initial period of operations, such as payroll, additional inventory, rent, and other operating expenses in excess of income generated by the business. It does not include any salary or compensation for you. In formulating the amount required for additional funds, we relied on the following factors, basis, and experience: the development of a Mobility City business by our affiliate, the experience of our franchisees, and our general knowledge of the industry.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Generally

We have the right to require you to purchase or lease all goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating your business (1) either from us or our designee, or from suppliers approved by us, or (2) according to our specifications.

Our system does not remain static and may be altered by us in our discretion, including (without limitation) changes to the system due to technology, competitive circumstances, demographics, populations, consumer trends, societal trends, and other marketplace variables. We may from time to time change the components of our system, including, but not limited to, altering the products, programs, services, methods, standards, forms, policies and procedures of the system; adding to, deleting from or modifying those products, programs and services which you are authorized and required to offer; modifying or substituting entirely the building, premises, vehicles, equipment, signage, trade dress, decor, color schemes, and uniform specifications and all other unit construction, design, appearance and operation attributes which you are required to observe. You must comply with any such modifications, changes, additions, deletions, substitutions, and alterations, and you must accept, use and effectuate any such changes or modifications to, or substitution of, the system as if they were part of the system at the time you execute your franchise agreement.

Specific Obligations

The following are our current specific obligations for purchases and leases:

A. Real Estate. Your business location is subject to our approval and must meet our specifications. It must be located in your territory.

B. Vehicles. You must purchase a new or lightly used van to start your business. Our approval is necessary before any vehicles can be purchased or financed. The current list of

approved vehicles includes: Nissan NV 1500 or NV 2500, Dodge Ram Promaster 1500 or 2500, Ford Transit 250, Chevy Express 2500, GMC Savannah Cargo van, and Mercedes Benz Sprinter. You will be required to configure the van with shelving, driver partition, rubber flooring and the approved vinyl wrap provided by our approved vendor. Your second vehicle may be a box truck instead of a van. After your first two vehicles, additional vehicles must be approved by us and be configured the same as your original vehicle.

C. Inventory Vendors. We require you to purchase inventory from our approved vendors list, which currently includes (but is not limited to) Journey, Medline, Harmar, Invacare/TAG (The Aftermarket Group), Drive Medical, Golden Technology, Pride Mobility, Brightway Battery or MK Battery, Compass Health, Tuffcare, and Titan Ramps.

D. Insurance. You must obtain insurance as described in the Franchise Agreement and in our Manual, which currently specifies (i) General Liability on an occurrence basis with limits not less than \$1,000,000 per occurrence/\$2,000,000 aggregate per policy year. The following minimum sub-limits must be met: \$1,000,000 Personal & Advertising Injury, \$2,000,000 Products/Completed Operations Aggregate, \$300,000 Damage to Rented Premises and \$10,000 Medical Expense; (ii) Owned, Hired & Non-Owned Auto Liability coverage not less than \$1,000,000 combined single limit each accident; (iii) Special Form property insurance in an amount appropriate to coverage full replacement value of contents. Business Income and Extra Expense must be included on an actual loss sustained basis for a minimum of 12 months; (iv) Workers Compensation and Employers Liability insurance with minimum limits no less than \$500,000 per accident for bodily injury by accident; \$500,000 policy limit by disease; and \$500,000 per employee for bodily injury by disease or higher coverage as required by law in your state; (v) 1st and 3rd Party Crime coverage with a limit no less than \$25,000 (this requirement can be satisfied with a bond); (vi) Umbrella Liability with a \$1,000,000 minimum limits to extend over general liability, owned/hired/non-owned liability and employers liability; (vii) Professional Liability on an occurrence basis with limits not less than \$1,000,000 per occurrence/\$1,000,000 aggregate; (viii) Employment Practices Liability (EPL) with a \$1,000,000 minimum limit. Coverage must include a 3rd party endorsement; (ix) Cyber Liability with a \$1,000,000 minimum limit. Coverage must include a 3rd party endorsement. Your policies (other than Workers Compensation) must list us and our affiliates as an additional insured, must include a waiver of subrogation in favor of us and our affiliates, must be primary and non-contributing with any insurance carried by us or our affiliates, and must stipulate that we receive 30 days' prior written notice of cancellation. Policy and Coverage level deductibles shall not exceed \$5,000 for any coverages required unless a written waiver is granted by us. All insurance companies must carry an A.M. Best's Rating of "A-/Excellent" or better.

E. Computer software and hardware. You must purchase and use the computer software and hardware that we specify. See Item 11 for more details.

F. Other Systems. We require you to use particular systems and vendors for various aspects of your franchise, including online marketing, email marketing, pay per click advertising, newspaper advertising, other forms of advertising, digital platform, printing, and payment processing. Visual Impact Group is currently our required vendor for digital marketing and AdWord management. Other systems and vendors are specified in our Operating Manual.

Us or our Affiliates as Supplier

Neither we nor any affiliate is currently a supplier of any good or service that you must purchase, although we reserve the right to be a supplier (or the sole supplier) of a good or service in the future.

Ownership of Suppliers

None of our officers owns an interest in any supplier to our franchisees.

Alternative Suppliers

If you want to use a supplier that is not on our list of approved suppliers, you must request our approval in writing. We have the sole discretion to approve or reject an alternative supplier. We may condition our approval on criteria we deem appropriate, such as evaluations of the supplier's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Our criteria for approving suppliers are not available to you. We permit you to contract with alternative suppliers who meet our criteria only if you request our approval in writing, and we grant approval. There is no fee for us to review or approve an alternate supplier. We will provide you with written notification of the approval or disapproval of any supplier you propose within 30 days after receipt of your request. We may grant approvals of new suppliers or revoke past approvals of suppliers on written notice to you, or by updating our Manual.

Issuing Specifications and Standards

We issue specifications and standards to you for applicable aspects of the franchise in our Manual and/or in written directives. We may issue new specifications and standards for any aspect of our brand system, or modify existing specifications and standards, at any time by revising our Manual and/or issuing new written directives (which may be communicated to you by any method we choose). We will generally (but are not obligated to) issue new or revised specifications after analyzing the intended changes. We may also conduct limited market testing in the outlet owned by our affiliate, or in one or more multiple outlets.

Revenue to Us and Our Affiliates; Payments by Designated Suppliers

We currently receive rebates from Pride Mobility and from MK Battery of up to 3% of purchases by franchisees. We currently deposit these rebates in the marketing fund and/or use the rebates towards costs of our annual franchisee meeting, software development, and other business support with the approval of our franchise advisory committee. In the future, we have the right to receive payments from other or additional designated suppliers based on franchisee purchases. We are not required to give you an accounting of any payments we receive from designated suppliers, nor are we required to deposit such payments in the marketing fund or to share any benefits of supplier payments with you or with any other franchisee.

Our total revenue in the prior fiscal year was \$1,194,245. Our revenue from all required purchases and leases of products and services by franchisees in the prior fiscal year was \$42,684.

The percentage of our total revenues that were from required purchases or leases in the prior fiscal year was 3.6%.

Proportion of Required Purchases and Leases

We estimate that the required purchases and leases to establish your business are 70% to 90% of your total purchases and leases to establish your business.

We estimate that the required purchases and leases of goods and services to operate your business are 50% to 70% of your total purchases and leases of goods and services to operate your business.

Purchasing or Distribution Cooperatives

No purchasing or distribution cooperative currently exists.

Negotiated Arrangements

We have established negotiated purchase arrangements with vendors for your opening inventory order, as well as Visual Impact Group (VIG) for digital marketing and AdWord management (currently at \$1,400 per month) and certain other vendors.

Benefits Provided to You for Purchases

We do not provide any material benefit to you based on your purchase of particular goods or services, or your use of particular suppliers.

**Item 9
FRANCHISEE’S OBLIGATIONS**

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

Obligation	Section in agreement	Disclosure document item
a. Site selection and acquisition/lease	§§ 6.1, 6.2	Item 11
b. Pre-opening purchase/leases	§§ 6.2, 6.3	Items 5, 7, 8 and 11
c. Site development and other pre-opening requirements	Article 6	Items 5, 7, 8 and 11
d. Initial and ongoing training	§§ 5.2, 6.4, 7.6	Items 5, 6, 8 and 11
e. Opening	§§ 6.5, 6.6	Items 7, 8 and 11
f. Fees	Article 4, §§ 5.3, 7.8, 8.4, 10.5, 11.2, 11.3, 15.2, 16.1, 17.5	Items 5, 6 and 7

Obligation	Section in agreement	Disclosure document item
g. Compliance with standards and policies/operating manual	§§ 6.3, 7.1, 7.3, 7.5, 7.7, 7.9 – 7.14, 7.16, 9.1, 10.1, 10.4, 11.1	Items 8, 11 and 14
h. Trademarks and proprietary information	Article 12, § 13.1	Items 13 and 14
i. Restrictions on products/services offered	§ 7.3	Items 8, 11 and 16
j. Warranty and customer service requirements	§§ 7.3, 7.8, 7.9, 7.12	Item 8
k. Territorial development and sales quotas	§ 2.2	Item 12
l. Ongoing product/service purchases	Article 8	Items 6 and 8
m. Maintenance, appearance, and remodeling requirements	§§ 7.13, 7.17	Items 6, 7 and 8
n. Insurance	§ 7.16	Items 6, 7 and 8
o. Advertising	Article 9	Items 6, 7, 8 and 11
p. Indemnification	Article 16	Items 6 and 8
q. Owner's participation/management/staffing	§ 2.4	Items 15
r. Records and reports	Article 10	Item 11
s. Inspections and audits	§§ 10.5, 11.2	Items 6 and 11
t. Transfer	Article 15	Items 6 and 17
u. Renewal	§ 3.2	Item 17
v. Post-termination obligations	Article 13, § 14.3	Item 17
w. Non-competition covenants	§ 13.2	Item 17
x. Dispute resolution	Article 17	Items 6 and 17

**Item 10
FINANCING**

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

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

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

Our Pre-Opening Obligations

Before you open your business:

A. *Your site.* We will provide you with our criteria for Mobility City showroom locations. We do not assist you in (i) locating your site and negotiating the purchase or lease of the site, (ii) conforming the premises to local ordinances and building codes and obtaining any required permits, or (iii) constructing, remodeling, or decorating the premises. We generally do not own your premises or lease it to you. If your site is not already known and approved by us when you sign your franchise agreement, then you must find a site in your territory. We do not select your site. Your site is subject to our approval. To obtain our approval, you must provide all information and documents about the site that we require. The factors we consider in approving sites are general location and neighborhood, access, parking, and size and other physical characteristics. The time limit for us to approve or disapprove your proposed site is 30 days after you submit all of our required documents and information. (Section 6.1). If we and you cannot agree on a site, you will be unable to comply with your obligation to develop and open the franchise by the deadline stated in the franchise agreement. Unless we agree to extend the deadline, you will be in default and we may terminate your franchise agreement.

B. *Hiring and training employees.* All hiring decisions and conditions of employment are your sole responsibility. Your business must have at least one full-time technician per van (initially you will have one van, and you are required to have a second van operating no later than 180 days following your showroom opening), a full-time utility person, handling marketing, service sales, and other functions (you must hire the full-time utility person by the opening of your showroom), and two full-time showroom product consultants (you must hire the first showroom product consultant by the opening of your showroom, and you must hire the second showroom product consultant no later than 60 days following the opening of your showroom). These employees are in addition to you. (Section 7.5)

C. *Necessary equipment, signs, fixtures, opening inventory, and supplies.* We will provide you a list of our specifications and approved suppliers for equipment, signs, fixtures, opening inventory, and supplies necessary to open your business. (Section 5.2) We do not provide these items directly; we only provide the names of approved suppliers. We do not deliver or install these items.

D. *Operating Manual.* We will give you access to our Operating Manual. (Section 5.1).

E. *Initial Training Program.* We will conduct our initial training program. (Section 5.2). The current initial training program is described below.

F. *Business plan review.* If you request, we will review your pre-opening business plan and financial projections. (Section 5.2).

G. *Market introduction plan.* We provide you with a market introduction plan and advise you regarding the execution of the market introduction plan. (Section 5.2).

H. *On-site opening support.* At our expense, will have a representative provide on-site support for at least two days in connection with your business opening (provided that we may postpone our on-site support due to pandemic conditions or other business factors that would make on-site support impractical). (Section 5.2)

Length of Time to Open

The typical length of time between signing the franchise agreement and the opening of your showroom business location is approximately three to six months. Factors that may affect the time period include your ability to secure a location, obtain business permits and licenses, schedule initial training, and hire employees.

No later than four weeks following your completion of initial training, you will be required to have your soft opening of your business, which requires that you have acquired and deployed your first van, have hired one technician, and are prepared to service national accounts. You will be required to have your showroom open no later than 180 days following your soft opening.

Our Post-Opening Obligations

After you open your business:

A. *Developing products or services you will offer to your customers.* Although it is our intent and practice to refine and develop products or services that you will offer to your customers, the franchise agreement does not obligate us to do so.

B. *Hiring and training employees.* All hiring decisions and conditions of employment are your sole responsibility. (Section 7.5)

C. *Improving and developing your business; resolving operating problems you encounter.* If you request, we will provide advice to you (by telephone or electronic communication) regarding improving and developing your business, and resolving operating problems you encounter, to the extent we deem reasonable. If we provide in-person support in response to your request, we may charge a fee (currently \$500 per day) plus any out-of-pocket expenses (such as travel, lodging, and meals for our employees providing onsite support). (Section 5.3).

D. *Establishing prices.* Upon your request, we will provide recommended prices for products and services. (Section 5.3). We have the right to require you to offer products and services at specific prices we determine if we are promoting such products and services on a national, regional, or local market basis, for the duration of the promotion (but only to the extent permitted by applicable law). For regional or national accounts (including accounts which we expect to be served by multiple franchisees), we reserve the right to set pricing and other terms. Otherwise, you retain the discretion to determine prices you charge.

E. *Establishing and using administrative, bookkeeping, accounting, and inventory control procedures.* Upon request, we will provide recommended procedures for administration,

bookkeeping, accounting, and inventory control. (Section 5.3). These recommended procedures are in addition to any procedures we require for our system.

F. *Marketing Fund.* We will administer the Marketing Fund (Section 5.3). We will prepare an unaudited annual financial statement of the Marketing Fund within 120 days of the close of our fiscal year and will provide the financial statement to you upon request. (Section 9.3)

G. *Website.* We will maintain a website for the Mobility City brand, which will include your business information and telephone number (which is owned by us) (Section 5.3). You are not permitted to create or operate your own website pertaining to Mobility City.

Advertising

Our obligation. We will use the Marketing Fund only for marketing and related purposes and costs. Media coverage is primarily local. We use outside vendors and consultants to produce advertising. We are not required to spend any amount of advertising in the area or territory where any particular franchisee is located. We will maintain the brand website (which may be paid for by the Marketing Fund). We have no other obligation to conduct advertising.

Your own advertising material. You may use your own advertising or marketing material only with our approval. To obtain our approval, you must submit any proposed advertising or marketing material at least 14 days prior to use. If we do not respond, the material is deemed rejected. If you develop any advertising or marketing materials, we may use those materials for any purpose, without any payment to you.

Marketing Committee. We have a Marketing Committee composed of franchisees. Participation on the committee is voluntary; the franchise agreement does not give us the power to require you to be part of the committee. The committee serves in an advisory capacity only, and it has no operational or decision-making power. We have the power to change or dissolve the committee. The committee has three to four franchisee representatives that are nominated and voted on by the franchisees.

Local or Regional Advertising Cooperatives. We do not require you to participate in any local or regional advertising cooperatives.

Marketing Fund. You and all other franchisees must contribute to our Marketing Fund. The contribution is 1% of adjusted gross sales. We reserve the right to have other franchisees contribute a different amount or at a different rate. Outlets that we or our affiliates own are not obligated to contribute to the Marketing Fund. We administer the fund. The fund is not audited. We will make unaudited annual financial statements available to you upon request.

In 2022, we used the Marketing Fund (including rebates received from vendors) for marketing and business development, and other activities approved by our franchise advisory council, and spent 45% on the annual meeting, 35% on marketing materials, and 20% on software.

If less than all marketing funds are spent in the fiscal year in which they accrue, the money will remain in the Marketing Fund to be spent in the next year.

No money from the Marketing Fund is spent principally to solicit new franchise sales.

Grand Opening Plan. You must implement our Grand Opening Plan at the time of the opening of your showroom. Your Grand Opening plan will include online and offline components, including a newspaper ad campaign for eight weeks upon the opening of your showroom. We expect you will spend \$10,000 to \$20,000 on your Grand Opening plan, including print and marketing materials, online marketing, and print/tv media.

Marketing staff. You must have a person devoted to local outside marketing and business development on at least a part-time basis (20 hours or more per week).

Required marketing vendors. Currently, we require to you use Visual Impact Group for digital marketing and AdWord management. We may change or add required vendors for marketing in the future.

Required spending. After you open, you must spend at least 5% of adjusted gross sales each month on marketing your business, such as online and offline advertising. Your costs of employee payroll or outside consulting services (such as Visual Impact Group) related to marketing do not count towards the 5% minimum. You must spend at least \$2,000 per month on online marketing per 1 million population in your territory; this amount counts towards the 5% minimum. You must also purchase 2 print ads per month in your local newspaper, in color and full page; this purchase counts towards the 5% minimum. This amount is only a minimum requirement, and we do not represent that it is the optimal amount of money for you to spend on marketing. You must provide access to all data regarding your marketing and advertising that we request.

Computer Systems

You will need a laptop or desktop computer for your showroom, plus another computer for office functions. Your technician will need a smartphone or tablet dedicated to the business only. We estimate that these systems will cost between \$2,000 to \$5,000 to purchase.

You must use QuickBooks Online for bookkeeping and financial management, and Go-Payment for merchant services. QuickBooks Online currently costs \$75 to \$150 per month. Go-Payment charges fees based on purchases.

You must use our approved Customer Relationship Management (CRM) system which is currently Method. We currently pay the cost of Method. Method integrates with QuickBooks and enables you to do organize customer data, manage leads, manage work orders, schedule and rout jobs, invoice customers, and manage other business functions.

We are not obligated to provide any ongoing maintenance, repairs, upgrades, or updates. We estimate that the annual cost of any optional or required maintenance, updating, upgrading, or support contracts will be \$900 to \$1800 per year (not counting merchant fees or our technology fee).

You must upgrade or update any system when we determine. There is no contractual limit on the frequency or cost of this obligation. We are currently investigating business management software and van dispatching software that you will be required to use.

You must give us independent access to the information that will be generated or stored in these systems. The information that we may access will include sales, customer data, and reports. There is no contractual limitation on our right to access the information.

Operating Manual

See Exhibit F for the table of contents of our Operating Manual as of the date this disclosure document, with the number of pages devoted to each subject. There are 184 pages in the Operating Manual.

Training Program

Our training program for franchise owners consists of the following:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
DAY 1			
Intro MC Overview	1	0	Boca Raton, FL
Showroom & Product Overview	1	0	Boca Raton, FL
QuickBooks Online Overview	1	0	Boca Raton, FL
Lunch and Training by Lake Court	1	0	Boca Raton, FL
Elevator Speech	1	0	Boca Raton, FL
Marketing – Complete Overview	2	0	Boca Raton, FL
Walkers, Rollators, Knee Walkers	2	0	Boca Raton, FL
DAY 2			
Truck Intro Set up & Tools	1	1	Boca Raton, FL
QuickBooks Online	1	0	Boca Raton, FL
Reporting and Accounting	0.5	0	Boca Raton, FL
Print and Promotional	0.5	0	Boca Raton, FL
Pride Mobility Products and Lunch	1.5	0	Boca Raton, FL
Marketing to Facilities	1	0	Boca Raton, FL
Golden Product & Lift Chair selling	1	0	Boca Raton, FL
Wheelchairs & Transport Chairs	1	0	Boca Raton, FL

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Hospital beds, Overbed tables	1	0	Boca Raton, FL
DAY 3			
Live Tune Up Day	3	3	Boca Raton, FL
Marketing –Converting Submissions	1	0	Boca Raton, FL
National Accounts	1.5	0	Boca Raton, FL
Introduction to MC Paperwork	0.5	0	Boca Raton, FL
Introduction to Logical Positions	1	0	Boca Raton, FL
Phone Skills I	0.5	0	Boca Raton, FL
QuickBooks Online	0.5	0	Boca Raton, FL
DAY 4			
Benchwork – Batteries & Charges	1	1	Boca Raton, FL
MC Paperwork & Flow	0.5	0	Boca Raton, FL
Drive Introduction	0.5	0	Boca Raton, FL
Marketing – Social Media	1	0	Boca Raton, FL
Lunch with Medline	1.5	0	Boca Raton, FL
Phone Skills II	1	0	Boca Raton, FL
QuickBooks Online	0.5	0	Boca Raton, FL
Lift Chairs	1	0	Boca Raton, FL
Scooter & Power Chairs	1.5	0	Boca Raton, FL
Scooter & Power Chair demo & drives	0.5	0	Boca Raton, FL
DAY 5			
Benchwork – Diagnostics & Repairs	1	1	Boca Raton, FL
Truck-O-Nomics	1	0	Boca Raton, FL
Hospital Beds - Med-Mizer	0.5	0	Boca Raton, FL
QuickBooks Online	0.5	0	Boca Raton, FL
Hospital Beds – SonderCare	1	0	Boca Raton, FL
A Day in the Life of Mobility City	1	0	Boca Raton, FL
One – On – Ones	1.5	0	Boca Raton, FL
Follow Up Open Items	1	0	Boca Raton, FL

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Wrap Up & Graduation	0.5	0	Boca Raton, FL
TOTALS:	41.5	6	

Training classes are typically scheduled once every three months. Training will be held at our offices in Boca Raton, Florida. We reserve the right to vary the length and content of the initial training program based on the experience and skill level of any individual attending the initial training program.

The instructional materials consist of the Training Manual and other materials, lectures, discussions, and on-the-job demonstration and practice.

Training classes will be led by Ben Fretti, Vincent Baratta, Diane Baratta, Donna Corbisieri, Kristian Arnett, Charles Lewis, Eric Steinberg, and Marc Figueroa. Certain marketing training is currently provided by Visual Impact Group. Ben Fretti is described in Item 2; he has four years of experience in our industry and with us, in addition to 30 years of experience in franchise operations and training. Vincent Baratta is described in Item 2; he has 40 years of experience in our industry and operating a home medical equipment store. Diane Baratta is described in Item 2; she has six years of experience in our industry and with us. Donna Corbisieri is responsible for the day-to-day operations answering the phones, scheduling jobs, and serving customers in our store; she has five years of experience in our industry and with us. Kristian Arnett is our Showroom Sales Manager and Lead Technician; he has five years of experience in our industry and with us. Charles Lewis is described in Item 2; he has three years of experience in our industry and with us. Eric Steinberg is our Director of Success Tools; he has one year of experience in our industry and with us. Marc Figueroa is our Product Consultant Manager; he has three years of experience in our industry and with us.

There is no fee for up to three people to attend training. If you send more people to training, the fee is an additional \$500 per person. You must pay the travel and living expenses of people attending training.

You must attend training no later than 90 days following the execution of the Franchise Agreement. You may send any additional people to training that you want (up to the maximum described above). You must complete training to our satisfaction before opening your business.

Any Technicians you hire within the first 12 months of operation will be trained by us at Mobility City of Boca Raton for our 3-day technician training. We do not charge for this training, but you will be responsible for their travel expenses. Additional techs that you hire after the first 12 months must be appropriately trained by you or by us. We encourage you to send additional technicians to our training in Boca Raton.

All new hires must complete our 2-hour online Mobility City Orientation program within the first two weeks of being hired.

We have additional product and technical programs and refresher courses offered remotely and in person. We encourage you to participate but we do not currently require you to participate.

Item 12 TERRITORY

Your Location

Your franchise will be based at specific location for retail sales, customer service, operations, and storage. If the specific location is not known at the time you sign a franchise agreement, then your location is subject to our approval.

Grant of Territory

Your franchise agreement will specify a territory.

Your territory will have a population of 600,000 or more people. We will usually specify the boundaries of your territory by county and/or zip codes. If we and you agree that you will purchase a territory larger than 600,000 people, then you will pay an additional \$5,000 initial franchise fee for each additional 100,000 (or fraction thereof) people. You will operate a minimum of two vans. You will need to deploy an additional van every 12 months for each additional 500,000 people (or fraction thereof) in your territory.

Relocation; Establishment of Additional Outlets

You may relocate your business headquarters anywhere in your territory, provided you give us advance notice and comply with our procedures for selecting and opening a location.

You do not have the right to establish additional franchised outlets or expand into additional territory. If you desire to do so, you must (1) meet our then-current criteria for new franchisees, (2) be in compliance with your franchise agreement at all times since opening your business, (3) have demonstrated your capability to operate a multi-territory franchise successfully, and (4) obtain our agreement.

Options to Acquire Additional Franchises

You do not receive any options, rights of first refusal, or similar rights to acquire additional franchises.

Exclusivity

We grant you an exclusive territory. In your territory, we will not establish either a company-owned or franchised outlet selling the same or similar goods or services under the same or similar trademarks or service marks as a Mobility City outlet.

You must deploy at least one van every 12 months for every 500,000 people (or fraction thereof) in your territory. If you fail to comply with the deployment schedule, then we may

reduce your territory in our discretion (in addition to other remedies for breach of the franchise agreement). Otherwise, continuation of your territorial exclusivity does not depend on any contingency. There are no other circumstances that permit us to modify your territorial rights.

Restrictions on Us from Soliciting or Accepting Orders in Your Territory

Except as described in this paragraph, we will not serve customers in your territory, nor authorize another party to serve customers in your territory, under our Mobility City brand. However, we may serve (or authorize other franchisees to serve) customers in your territory if you are in default, or if you are incapable of meeting customer demand in your territory. We may also serve (or authorize another franchisee to serve) a particular customer in your territory if you fail to properly serve such customer, or if we reasonably believe that you will not properly serve such customer. We reserve the right to use other channels of distribution, such as the internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your territory (i) using our principal trademarks, but only for sales of products or services different from the ones you will offer, (ii) if you choose not to fulfill a sale made through our website to a customer in your territory, or (iii) using trademarks different from the ones you will use. In the circumstances where the franchise agreement does not prohibit us from soliciting or accepting orders from inside your territory, we do not pay any compensation to you.

Soliciting by You Outside Your Territory

You cannot solicit or market to potential customers outside of your territory, except for solicitations or marketing which are primarily targeted inside the territory and which incidentally reach potential customers outside of the territory. You cannot serve customers outside of your territory without our prior written permission (except for national accounts outside of your territory that we direct to you). We may withdraw permission at any time. If we permit you to serve customers in an area outside of your territory, and then a new franchisee purchases that area, all such customers will be transferred to the new franchisee (without compensation to you).


Competition by Us Under Different Trademarks

Neither we nor any of our affiliates operates, franchises, or has plans to operate or franchise a business under a different trademark selling goods or services similar to those you will offer. However, the franchise agreement allows us to do so.

Item 13 TRADEMARKS

Principal Trademarks

The following are the principal trademarks that we license to you. These trademarks are owned by us. They are registered on the Principal Register of the United States Patent and Trademark Office.

Trademark	Registration Date	Registration Number
MOBILITY CITY	January 9, 2018	5375263
	July 31, 2018	5528483
QUALITY REPAIRS AND PRODUCTS TO GET YOU GOING AGAIN!	July 31, 2018	5528484

Because the federal trademark registrations are less than six years old, no affidavits are required at this time and no required affidavits have been filed. The registrations have not yet been renewed.

With respect to the following trademarks only, we make the following disclosure: We do not have a federal registration for the following trademarks. Therefore, these trademarks do not have many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses. An application for registration on the Principal Register of the United States Patent and Trademark Office has been filed.

Trademark	Application Date	Identification Number
STEAM 220	January 13, 2022	97217396
WE FIX WHEELCHAIRS & SCOOTERS ... AND MORE!	January 12, 2022	97216184

Determinations

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court. There are no pending infringement, opposition, or cancellation proceedings.

Litigation

There is no pending material federal or state court litigation regarding our use or ownership rights in a trademark.

Agreements

There are no currently effective agreements that significantly limit our rights to use or license the use of trademarks listed above in a manner material to the franchise.

Protection of Rights

We protect your right to use the principal trademarks listed in this Item, and protect you against claims of infringement or unfair competition arising out of your use of the trademarks, to the extent described in this section.

The franchise agreement obligates you to notify us of the use of, or claims of rights to, a trademark identical to or confusingly similar to a trademark licensed to you. The franchise agreement does not require us to take affirmative action when notified of these uses or claims. We have the right to control any administrative proceedings or litigation involving a trademark licensed by us to you.

If you use our trademarks in accordance with the franchise agreement, then (i) we will defend you (at our expense) against any legal action by a third-party alleging infringement by your use of the trademark, and (ii) we will indemnify you for expenses and damages if the legal action is resolved unfavorably to you.

Under the franchise agreement, we may require you to modify or discontinue using a trademark, at your expense. You will have a reasonable period of time to comply with the change, not to exceed 45 days. After such period, you would no longer have the right to use the unmodified or discontinued trademark. Your rights under the franchise agreement do not change, other than the modification or discontinuation of the trademark.

Superior Prior Rights and Infringing Uses

We do not know of either superior prior rights or infringing uses that could materially affect your use of the principal trademarks.

Item 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

We do not own rights in, or licenses to, patents that are material to the franchise. We do not have any pending patent applications.

Copyrights

All of our original works of authorship fixed in a tangible medium of expression are automatically protected under the U.S. Copyright Act, whether or not we have obtained registrations. This includes our Operating Manual as well as all other sales, training, management and other materials that we have created or will create. You may use these

copyrighted materials during the term of the franchise, in a manner consistent with our ownership rights, solely for your franchised business.

We do not have any registered copyrights. There are no pending copyright applications for our copyrighted materials. There are no currently effective determinations of the U.S. Copyright Office (Library of Congress) or any court regarding any copyright.

There are no agreements currently in effect that limit our right to use or license the use of our copyrighted materials.

We have no obligation to protect any of our copyrights or to defend you against claims arising from your use of copyrighted items. The franchise agreement does not require us to take affirmative action when notified of copyright infringement. We control any copyright litigation. We are not required to participate in the defense of a franchisee or indemnify a franchisee for expenses or damages in a proceeding involving a copyright licensed to the franchisee. We may require you to modify or discontinue using the subject matter covered by any of our copyrights, at your expense.

We do not know of any copyright infringement that could materially affect you.

Proprietary Information

We have a proprietary, confidential Operating Manual and Training Manual, and related materials, that include guidelines, standards and policies for the development and operation of your business. We also claim proprietary rights in other confidential information or trade secrets that include all methods for developing and operating the business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information and know-how.

All customer data, electronically-transmitted data, and other non-public data generated by your business is confidential information and is exclusively owned by us. We license such data back to you without charge solely for your use in connection with your Mobility City business.

You (and your owners, if the franchise is owned by an entity) must protect the confidentiality of our Training Manual and Operating Manual and other proprietary information, and you must use our confidential information only for your franchised business. We may require your managers and key employees to sign confidentiality agreements.

You must disclose to us all ideas, plans, improvements, concepts, methods, and techniques relating to your Mobility City business that you conceive or develop. We will automatically own all such innovations, and we will have the right to incorporate any innovations into our system for use by all franchisees, without any compensation to you.

Item 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE
FRANCHISE BUSINESS

Your Participation

You are required to participate personally in the direct operation of your business and must devote your full business time and attention to the Business.

If you are the sole owner of the business, then you are deemed the “Principal Executive”. If the business is owned through a corporation or limited liability company, you must designate one owner as your “Principal Executive”. The Principal Executive is the executive primarily responsible for your business and has decision-making authority on behalf of the business. The Principal Executive must own at least 50% of the business. The Principal Executive must complete our initial training program. The Principal Executive must complete any post-opening training programs that we develop in the future. The Principal Executive must make reasonable efforts to attend all in-person meetings and remote meetings (such as telephone or video conference calls), including regional or national brand conferences, that we require. The Principal Executive cannot fail to attend more than three consecutive required meetings.

If your business is owned by an entity, all owners of the business entity must sign our Guaranty and Non-Compete Agreement (see Attachment 2 to Exhibit B).

“On-Premises” Supervision

You are not required to personally conduct “on-premises” supervision (that is, act as general manager) of your business. However, we recommend on-premises supervision by you.

There is no limit on who you can hire as an on-premises supervisor. The general manager of your business (whether that is you or a hired person) must successfully complete our training program.

If the franchise business is owned by an entity, we do not require that the general manager own any equity in the entity.

Restrictions on Your Manager

If we request, you must have your general manager (if you have one), and other key employees that we designate, sign a confidentiality and non-compete agreement in the form of Exhibit C to this disclosure document. We will not require you to enter into a confidentiality and non-compete agreement that violates applicable state law or that prohibits a person from being employed by another Mobility City outlet. We do not require you place any other restrictions on your manager.

Item 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale only goods and services that we have approved.

You must offer for sale all goods and services that we require. We have the right to change the types of authorized goods or services, and there are no limits on our right to make changes.

We do not restrict your access to customers, except that all sales must be made to customers in your territory. We do not permit online sales.

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	§ 3.1	10 years from date of franchise agreement.
b. Renewal or extension of the term	§ 3.2	You may obtain a successor franchise agreement for up to two additional 5-year terms.

Provision	Section in franchise or other agreement	Summary
c. Requirements for franchisee to renew or extend	§ 3.2	<p>For our franchise system, “renewal” means that at the end of your term, you sign our successor franchise agreement for an additional 5-year term. You may be asked to sign a contract with materially different terms and conditions than your original contract.</p> <p>To renew, you must give advance notice to us; be in compliance; conform your business to then-current standards for new franchisees; sign then-current form of franchise agreement and related documents (including personal guaranty); sign general release (unless prohibited by applicable law).</p> <p>If you continue operating your franchise after the expiration of the term without a renewal agreement, then we may either terminate your operation at any time or deem you to have renewed your agreement for a 5-year term.</p>
d. Termination by franchisee	§ 14.1	If we violate a material provision of the franchise agreement and fail to cure or to make substantial progress toward curing the violation within 30 days after notice from you.
e. Termination by franchisor without cause	Not Applicable	
f. Termination by franchisor with cause	§ 14.2	We may terminate your franchise agreement for cause, subject to any applicable notice and cure opportunity.
g. “Cause” defined--curable defaults	§ 14.2	Non-payment by you (10 days to cure); violate franchise agreement other than non-curable default (30 days to cure).

Provision	Section in franchise or other agreement	Summary
h. "Cause" defined--non-curable defaults	§ 14.2	Misrepresentation when applying to be a franchisee; knowingly submitting false information; bankruptcy; lose possession of your location; violation of law; violation of confidentiality; violation of non-compete; violation of transfer restrictions; slander or libel of us; refusal to cooperate with our audit or evaluation; cease operations; operate in a dangerous manner (if not cured within 48 hours); three defaults in 12 months; cross-termination; charge, plea to, or conviction of a felony, commit or be accused of an act that is reasonably likely to materially and unfavorably affect our brand; any other breach of franchise agreement which by its nature cannot be cured.
i. Franchisee's obligations on termination/non-renewal	§§ 14.3 – 14.6	Pay all amounts due; return Manual and proprietary items; notify phone, internet, and other providers and transfer service; cease doing business; remove identification; purchase option by us.
j. Assignment of agreement by franchisor	§ 15.1	Unlimited
k. "Transfer" by franchisee - defined	Article 1	For you (or any owner of your business) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the business, (ii) the franchise agreement, (iii) any direct or indirect ownership interest of in the business, or (iv) control of the business.
l. Franchisor's approval of transfer by franchisee	§ 15.2	No transfers without our approval.
m. Conditions for franchisor's approval of transfer	§ 15.2	Pay transfer fee; buyer meets our standards; buyer is not a competitor of ours; buyer and its owners sign our then-current franchise agreement and related documents (including personal guaranty); you've made all payments to us and are in compliance with the franchise agreement; buyer completes training program; you sign a general release (subject to state law); business complies with then-current system specifications.

Provision	Section in franchise or other agreement	Summary
n. Franchisor's right of first refusal to acquire franchisee's business	§ 15.5	If you want to transfer your business (other than to your spouse, sibling, or child), we have a right of first refusal.
o. Franchisor's option to purchase franchisee's business	FA: § 14.6	When your franchise agreement expires or is terminated, we will have the right to purchase any or all of the assets of your business.
p. Death or disability of franchisee	§§ 2.4, 15.4	If you die or become incapacitated, a new principal executive acceptable to us must be designated to operate the business, and your executor must transfer the business to an approved new owner within nine months.
q. Non-competition covenants during the term of the franchise	§ 13.2	Neither you, any owner of the business, or any spouse of an owner may have ownership interest in, lend money or provide financial assistance to, provide services to, or be employed by, any competitor.
r. Non-competition covenants after the franchise is terminated or expires	§ 13.2	For two years, neither you, any owner of the business, or any spouse of an owner may have ownership interest in, lend money or provide financial assistance to, provide services to, or be employed by, any competitor operating in your former territory or the territory of any other Mobility City business operating on the date of termination or expiration.
s. Modification of the agreement	§ 18.4	No modification or amendment of the franchise agreement will be effective unless it is in writing and signed by both parties. This provision does not limit our right to modify the Manual or system specifications.
t. Integration/merger clause	§ 18.3	Only the terms of the franchise agreement and other written agreements are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable. However, no claim made in any franchise agreement is intended to disclaim the express representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Not applicable	

Provision	Section in franchise or other agreement	Summary
v. Choice of forum	§§ 17.1	Any legal proceedings will take place in the state or federal courts of the state and county where our headquarters is then located (subject to applicable state law).
w. Choice of law	§ 18.8	Florida (subject to applicable state law)

For additional disclosures required by certain states, refer to Exhibit H - State Addenda to Disclosure Document

**Item 18
PUBLIC FIGURES**

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

**Item 19
FINANCIAL PERFORMANCE REPRESENTATIONS**

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

Table 1: 2021 and 2022 Income Statements – Company Outlet

	2021		2022	
Income	\$602,985.00	100.00%	\$936,725.95	100.00%
Cost of Goods	\$154,566.85	25.63%	\$295,130.42	31.51%
Gross Profit	\$448,418.15	74.37%	\$641,595.53	68.49%
Advertising and Promotion	\$41,530.20	6.89%	\$65,565.82	7.00%
Insurance	\$3,081.87	0.51%	\$6,556.41	0.70%
Licenses, Permits, and Fees	\$1,637.63	0.27%	\$1,578.54	0.17%
Merchant Fees and Charges	\$15,159.10	2.51%	\$29,219.36	3.12%
Office Supplies	\$1,482.16	0.25%	\$1,077.60	0.12%
Payroll Expenses	\$151,608.85	25.14%	\$179,045.60	19.11%
Professional Fees – Legal & Accounting	\$6,000.00	1.00%	\$3,500.00	0.37%
Rent and Lease	\$42,325.00	7.02%	\$55,139.07	5.89%

	2021		2022	
Repairs and Maintenance	\$972.62	0.16%	\$1,418.94	0.15%
Subscriptions & Dues	\$1,193.81	0.20%	\$1,050.00	0.11%
Telephone, Cell Phone & Internet	\$4,543.97	0.75%	\$4,973.37	0.53%
Utilities	\$2,680.00	0.44%	\$3,174.05	0.34%
Vehicle Expense (2 vans)	\$18,782.90	3.11%	\$26,154.21	2.79%
Total Expenses	\$290,999.11	48.26%	\$378,452.97	40.40%
Net Profit	\$157,420.04	26.11%	\$263,142.56	28.09%
Royalty as if a Franchisee (7%)	\$42,208.95	7%	\$65,570.82	7.00%
Marketing Fund as if a Franchisee (1%)	\$6,029.98	1%	\$9,367.26	1.00%
Sales per Square Foot	\$301.50		\$468.36	

Notes:

1. The foregoing information represents historical financial performance of the Mobility City business operated by our affiliate for calendar year 2021 and calendar year 2022. The business is located in Boca Raton, Florida in 2,000 square foot premises (prior to October 2020, the business was located in Fort Lauderdale, Florida, approximately 20 miles away). It is the only Mobility City business operated by us or any affiliate of ours.

2. “Income” in Table 1 is all income generated by the business, less coupons, discounts, and credits granted to customers.

3. “Cost of Goods” is the total price of all inventory sold to customers during the time period.

4. “Gross Profit” is Income less Cost of Goods.

5. “Net Profit” is Gross Profit less Total Expenses.

6. “Sales per Square Foot” is annual Income divided by the square footage of the premises (which is 2,000 square feet).

7. Mobility City of Boca Raton primarily serves Palm Beach County, Florida. It primarily serves a population of approximately 1,300,000 people. In April 2021, it added a second van.

8. There may be material and operational differences between our outlet and franchise outlets, such as demographics, site location, number of vans operated, number of employees, and competition.

9. The source of the data used in Table 1 is our books and records.

Table 1: 2021 and 2022 Adjusted Gross Sales – Franchise Outlets

Unit #	2021	2022	YOY%
1	\$452,891	\$548,867	21.2%
2	\$290,929	\$380,436	30.8%
3	\$456,357	\$610,553	33.8%
4	\$348,211	\$495,205	42.2%
5	\$326,942	\$518,582	58.6%
6	\$431,537	\$922,355	113.7%
7	\$234,907	\$584,836	149.0%
8	\$384,846	N/A	
9	N/A	\$1,181,865	
10	N/A	\$599,792	
11	N/A	\$521,135	
12	N/A	\$415,002	
13	N/A	\$591,075	
14	N/A	\$342,535	
15	N/A	\$663,102	
16	N/A	\$419,197	
17	N/A	\$399,010	
Average	\$365,828	\$574,597	
Median	\$366,529	\$535,001	
Lowest	\$290,929	\$342,535	
Highest	\$456,357	\$1,181,865	

Notes:

1. Table 2 is historical financial performance of Mobility City franchised businesses open for the entire calendar year 2021 and open for the entire calendar year 2022. There were 8 franchised businesses open for all of 2021 and 16 franchised businesses open for all of 2022.

2. “Sales” in Table 2 is all income generated by the business, less discounts and credits granted to customers.

3. “YOY%” means the percentage increase in sales between 2021 and 2022 for the seven franchisees open for all of both years.

4. Of the 16 outlets that operated for all of 2022, 13 have two vans. The other three operate a single van. We require new franchisees to operate at least 2 vans, with the second van being required no later than 180 days following the showroom opening.

5. There may be material and operational differences between the outlets listed in Table 2 and the franchise that may be offered to you, such as demographics, site location, number of vans operated, number of employees, and competition.

6. The source of the data used in Table 2 is reports by franchisees.

Written substantiation of the information contained in this Item 19 will be made available to prospective franchisees upon reasonable request.

Some outlets have sold and earned these amounts. Your individual results may differ. There is no assurance that you'll sell or earn as much.

Other than the preceding financial performance representation, Mobility City Holdings, Inc. does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Diane Baratta at 1200 Yamato Road, Suite A9, Boca Raton, FL 33421, and 561-300-4100, the Federal Trade Commission, and the appropriate state regulatory agencies.

**Item 20
OUTLETS AND FRANCHISEE INFORMATION**

**Table 1 ⁽¹⁾
Systemwide Outlet Summary
For years 2020 to 2022**

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	15	20	+5
	2021	20	16	-4
	2022	16	29	+13
Company-Owned	2020	1	1	0
	2021	1	1	0
	2022	1	1	0
Total Outlets	2020	16	21	+5
	2021	21	17	-4
	2022	17	30	+13

(1) Franchisees are permitted to begin operating a mobile-only business for up to 30 days before their showroom opens. If a franchisee was operating mobile-only before their showroom opening as of the end of a year, they would be counted as “open” for purposes of this Item 20.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2020 to 2022

Column 1 State	Column 2 Year	Column 3 Number of Transfers
N/A	2020	0
	2021	0
	2022	0
Total	2020	0
	2021	0
	2022	0

Table 3
Status of Franchised Outlets
For years 2020 to 2022

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Termi- Nations	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
Arizona	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Colorado	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	1	0
	2022	0	1	0	0	0	0	1
Connecticut	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	1	0
	2022	0	0	0	0	0	0	0
Florida	2020	2	1	1	0	0	0	2
	2021	2	0	0	0	0	1	1
	2022	1	3	0	0	0	0	4
Georgia	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	1	0
	2022	0	0	0	0	0	0	0

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Termi- Nations	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
Idaho	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Illinois	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	2	1
	2022	1	0	0	0	0	0	1
Indiana	2020	1	0	0	0	0	1	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Kansas	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Louisiana	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Maryland	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	3	0	0	0	0	3
Michigan	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Missouri	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Nebraska	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Nevada	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
New York	2020	0	1	0	0	0	0	1

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Termi- Nations	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
	2021	1	0	0	0	0	0	1
	2022	1	0	1	0	0	0	0
North Carolina	2020	1	1	0	0	0	0	2
	2021	2	0	0	0	0	2	0
	2022	0	0	0	0	0	0	0
Ohio	2020	0	1	0	0	0	0	1
	2021	1	1	0	0	0	1	1
	2022	1	0	0	0	0	0	1
Oklahoma	2020	1	0	0	0	0	0	1
	2021	1	1	0	0	0	1	1
	2022	1	0	0	0	0	0	1
Pennsylvania	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	2	0
	2022	0	0	0	0	0	0	0
South Carolina	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	1	0
	2022	0	0	0	0	0	0	0
Tennessee	2020	1	1	0	0	0	0	2
	2021	2	0	0	0	0	2	0
	2022	0	0	0	0	0	0	0
Texas	2020	1	0	0	0	0	0	1
	2021	1	4	0	0	0	1	4
	2022	4	3	0	0	0	0	7
Utah	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Virginia	2020	1	0	0	0	0	0	1
	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Totals	2020	15	7	1	0	0	1	20

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Termi- Nations	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
	2021	20	12	0	0	0	16	16
	2022	16	14	1	0	0	0	29

**Table 4
Status of Company-Owned Outlets
For years 2020 to 2022**

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired From Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
Florida	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Totals	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1

**Table 5
Projected Openings As Of December 31, 2022**

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets In The Next Fiscal Year	Column 4 Projected New Company- Owned Outlets In the Next Fiscal Year
California	0	2	0
Connecticut	0	1	0
Florida	1	3	0
Idaho	0	2	0
Georgia	0	2	0
Michigan	0	1	0
Mississippi	0	1	0
Missouri	0	1	0

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets In The Next Fiscal Year	Column 4 Projected New Company- Owned Outlets In the Next Fiscal Year
New York	0	2	0
New Jersey	0	1	0
North Carolina	0	2	0
Ohio	0	2	0
Oregon	0	1	0
Pennsylvania	0	2	0
South Carolina	1	2	0
Tennessee	0	1	0
Texas	0	1	0
Utah	0	1	0
Virginia	1	1	0
Washington	0	1	0
Wisconsin	0	1	0
Totals	3	31	0

Current Franchisees

Exhibit G contains the names of all current franchisees (as of the end of our last fiscal year) and the address and telephone number of each of their outlets.

Former Franchisees

Exhibit G contains the name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year, or who have not communicated with us within 10 weeks of the disclosure document issuance date.

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

Confidentiality Clauses

During the last three years, in some instances, current and former franchisees have signed provisions restricting their ability to speak openly about their experience with Mobility City. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

Item 21
FINANCIAL STATEMENTS

Exhibit E contains our audited financial statements for the fiscal years ended December 31, 2022, December 31, 2021, and December 31, 2020.

Item 22
CONTRACTS

Copies of all proposed agreements regarding this franchise offering are attached as the following Exhibits:

- B. Franchise Agreement (with Guaranty and Non-Compete Agreement)
- C. Form of Rider for Multiple Showrooms
- D. Form of General Release
- I. State Addenda to Franchise Agreement
- J. Franchise Deposit Agreement
- K. Form of Non-Compete Agreement for Key Employees

Item 23
RECEIPTS

Detachable documents acknowledging your receipt of this disclosure document are attached as the last two pages of this disclosure document.

EXHIBIT A

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

We may register this Disclosure Document in some or all of the following states in accordance with the applicable state law. If and when we pursue franchise registration, or otherwise comply with the franchise investment laws, in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in each state and the state offices or officials that we will designate as our agents for service of process in those states:

State	State Administrator	Agent for Service of Process (if different from State Administrator)
California	Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 2101 Arena Blvd. Sacramento, CA 95834 866-275-2677 www.dfpi.ca.gov Ask.DFPI@difpi.ca.gov	
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities P.O. Box 40 Honolulu, HI 96810 (808) 586-2722	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	
Indiana	Franchise Section Indiana Securities Division Secretary of State Room E-111 302 W. Washington Street Indianapolis, IN 46204 (317) 232-6681	
Maryland	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Commissioner of Securities 200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street Williams Building, 1st Floor Lansing, MI 48933 (517) 373-7117	

State	State Administrator	Agent for Service of Process (if different from State Administrator)
Minnesota	Minnesota Department of Commerce Securities-Franchise Registration 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Commissioner of Commerce Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500
New York	NYS Department of Law Investor Protection Bureau 28 Liberty St. 21st Floor New York, NY 10005 212-416-8222	Secretary of State 99 Washington Avenue Albany, NY 12231
North Dakota	North Dakota Securities Department 600 East Boulevard Ave., State Capital Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	
Oregon	Department of Consumer & Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, Oregon 97310 (503) 378-4140	
Rhode Island	Department of Business Regulation Securities Division 1511 Pontiac Avenue Building 68-2 Cranston, RI 02920-4407 (401) 462-9527	
South Dakota	Division of Insurance Securities Regulation 124 South Euclid Suite 104 Pierre, SD 57501-3185 (605) 773-3563	
Virginia	State Corporation Commission 1300 East Main Street 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507 (360) 902-8760	Department of Financial Institutions Securities Division 150 Israel Rd SW Tumwater, WA 98501 (360) 902-8760
Wisconsin	Division of Securities Department of Financial Institutions 4822 Madison Yards Way Madison, Wisconsin 53705 (608) 266-0448	Division of Securities Department of Financial Institutions 4822 Madison Yards Way Madison, Wisconsin 53705 (608) 261-7577

EXHIBIT B
FRANCHISE AGREEMENT



FRANCHISE AGREEMENT

SUMMARY PAGE

- | | |
|--------------------------------|--|
| 1. Franchisee | _____ |
| 2. Initial Fee | _____ |
| 3. Business Location | _____ |
| 4. Territory | _____ |
| 5. Royalty Fee | 7% of Adjusted Gross Sales; after six months of operation, monthly Royalty Fee is greater of (i) 7% of Adjusted Gross Sales or (ii) \$_____. |
| 6. Principal Executive | _____ |
| 7. Franchisee's Address | _____ |

FRANCHISE AGREEMENT

This Agreement is made between Mobility City Holdings, Inc., a Florida corporation (“Mobility City Holdings”), and Franchisee effective as of the date signed by Mobility City Holdings (the “Effective Date”).

Background Statement:

A. Mobility City Holdings has created and owns a system (the “System”) for developing and operating a mobile business and retail showroom that repairs, rents, sells, and cleans mobility equipment under the trade name “Mobility City”.

B. The System includes (1) methods, procedures, and standards for developing and operating a Mobility City business, (2) particular products and services, (3) the Marks, (4) training programs, (5) business knowledge, (6) marketing plans and concepts, and (7) other mandatory or optional elements as determined by Mobility City Holdings from time to time.

C. The parties desire that Mobility City Holdings license the Marks and the System to Franchisee for Franchisee to develop and operate a Mobility City business of the Franchise Model type shown on the Summary Page, on the terms and conditions of this Agreement.

ARTICLE 1. DEFINITIONS

“**Action**” means any action, suit, proceeding, claim, demand, governmental investigation, governmental inquiry, or judgment, or appeal thereof, whether formal or informal.

“**Adjusted Gross Sales**” means the total dollar amount of all sales generated through the Business for a given period, including, but not limited to, payment for any services or products sold by Franchisee, whether for cash or credit. Adjusted Gross Sales also includes freight or any other charges paid by the customer. Adjusted Gross Sales does not include (i) bona fide refunds to customers, (ii) sales taxes collected by Franchisee, (iii) sales of used equipment not in the ordinary course of business, or (iv) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in Adjusted Gross Sales).

“**Approved Vendor**” means a supplier, vendor, or distributor of Inputs which has been approved by Mobility City Holdings.

“**Business**” means the Mobility City business owned by Franchisee and operated under this Agreement.

“**Competitor**” means any business which sells, services, repairs and/or rents mobility equipment.

“**Confidential Information**” means all non-public information of or about the System, Mobility City Holdings, and any Mobility City business, including all methods for developing and

operating the Business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information and know-how.

“Data Security Event” means any act, both actual or suspected, that initiates either internally or from outside the Business’ computers, point-of-sale terminals, and other technology or networked environment and violates any laws or explicit or implied security policies, including attempts (either failed or successful) to gain unauthorized access (or to exceed authorized access) to the System, other Mobility City businesses, or their data or to view, copy, or use Privacy Information or Confidential Information without authorization or in excess of authorization; unwanted disruption or denial of service; unauthorized use of a system for processing or storage of data; and changes to system hardware, firmware, or software characteristics without Mobility City Holdings’ knowledge, instruction, or consent.

“Input” means any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Business.

“Location” means the location stated on the Summary Page. If no location is stated on the Summary Page, then the Location will be determined in accordance with Section 6.1.

“Losses” includes (but is not limited to) all losses; damages; fines; charges; expenses; lost profits; reasonable attorneys’ fees; travel expenses, expert witness fees; court costs; settlement amounts; judgments; loss of Mobility City Holdings’ reputation and goodwill; costs of or resulting from delays; financing; costs of advertising material and media time/space and the costs of changing, substituting or replacing the same; and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

“Manual” means Mobility City Holdings’ confidential Operating Manual(s), including any supplements, additions, or revisions from time to time, which may be in any form or media.

“Marketing Fund” means the fund established (or which may be established) by Mobility City Holdings into which Marketing Fund Contributions are deposited.

“Marks” means the trade name and logo contained on the Summary Page, and all other trade names, trademarks, service marks and logos specified by Mobility City Holdings from time to time for use in a Mobility City business.

“National Account” means a regional or national customer account, as determined by Mobility City Holdings, where Mobility City Holdings negotiates terms and conditions.

“Owner” means each person or entity which directly or indirectly owns or controls any equity of Franchisee. If Franchisee is an individual person, then “Owner” means Franchisee.

“Payment Period” means the period of days based on which Franchisee reports Adjusted Gross Sales and pays Royalty Fees and Marketing Fund Contributions, and the date on which such

payment is due. As of the date of this Agreement, the Payment Period is the calendar month, and Royalty Fees and Marketing Fund Contributions are due on the 5th day of the following calendar month. Mobility City Holdings retains the right to alter the Payment Period pursuant to Section 4.8(h).

“Privacy Information” means all information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer or household. Privacy Information includes but is not limited to, the following if it identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer or household: identifiers such as a real name, alias, postal address, unique personal identifier, online identifier, Internet Protocol address, email address, account name, social security number, driver’s license or state identification card number, passport number, signature, physical characteristics or description, telephone number, insurance policy number, bank account number, credit card number, debit card number or any other financial information, medical information or health insurance information; characteristics of protected classifications under state or federal law; commercial information, including records of personal property, products or services purchased, obtained or considered, or other purchasing or consuming histories or tendencies; biometric information; Internet or other electronic network activity information including, but not limited to, browsing history, search history, and information regarding a consumer’s interaction with an internet website, application, or advertisement; geolocation data; audio or electronic information; professional or employment-related information; education information that is not publicly available personally identifiable information as defined in the Family Educational Rights and Privacy Act (20 USC § 1232g; 34 CFR Part 99); and inferences drawn from any of the information identified in this subsection to create a profile about a consumer reflecting the consumer’s preferences, characteristics, psychological trends, predispositions, behavior, attitudes, intelligence, abilities and aptitudes. Privacy Information does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.

“Required Vendor” means a supplier, vendor, or distributor of Inputs which Mobility City Holdings requires franchisees to use.

“Soft Opening” means the definition given to it in Section 6.6.

“System Standards” means, as of any given time, the then-current mandatory procedures, requirements, and/or standards of the System as determined by Mobility City Holdings, which may include without limitation, any procedures, requirements and/or standards for appearance, business metrics, cleanliness, customer service, data protection and privacy, design (such as construction, decoration, layout, furniture, fixtures and signs), equipment, inventory, marketing and public relations, maintenance, operating days, operating hours, presentation of Marks, product and service offerings, quality of products and services (including any guaranty and warranty programs), reporting, safety, technology (such as computers, computer peripheral equipment, smartphones, point-of-sale systems, back-office systems, information management systems, security systems, video monitors, other software, backup and archiving systems, communications systems (including email, audio, and video systems), payment acceptance

systems, and internet access, as well as upgrades, supplements, and modifications thereto), temporary operational changes due to special circumstances (such as a pandemic), uniforms, and vehicles.

“**Territory**” means the territory stated on the Summary Page.

“**Transfer**” means for Franchisee (or any Owner) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the Business, (ii) this Agreement, (iii) any direct or indirect ownership interest in the Business, or (iv) control of the Business.

ARTICLE 2. GRANT OF LICENSE

2.1 Grant. Mobility City Holdings grants to Franchisee the right to operate a Mobility City business of the type specified on the Summary Page, based at the Location and operating solely in the Territory. Franchisee shall develop, open, and operate a Mobility City business at the Location and in the Territory for the entire term of this Agreement. Franchisee shall exert its best efforts to promote and enhance the Business.

2.2 Protected Territory.

(a) Limitation. Franchisee shall not solicit or market to potential customers outside of the Territory, except for solicitations or marketing which are primarily targeted inside the Territory and which incidentally reach potential customers outside of the Territory.

(b) Service Outside of Territory.

(i) Mobility City Holdings may require Franchisee to serve National Accounts outside of the Territory, so long as such work is reasonably close to Franchisee’s Location

(ii) Except as provided in subparagraph (i), Franchisee shall not serve customers outside of the Territory without Mobility City Holdings’ prior written permission. Mobility City Holdings may withdraw permission at any time. If Franchisee serves a customer outside of the Territory without Mobility City Holdings’ prior written permission, Mobility City Holdings may impose a fee equal to the greater of (X) \$500 or (Y) 75% of the amount paid by such customer to Franchisee. This fee is a reasonable estimate of Mobility City Holdings’ internal cost of personnel time attributable to addressing Franchisee’s breach of this Section, and it is not a penalty or estimate of all damages arising from Franchisee’s breach. This fee is in addition to all of Mobility City Holdings’ other rights and remedies.

(iii) If Mobility City Holdings permits Franchisee to serve customers outside of the Territory, and then a new franchisee purchases that area, all such customers will be transferred to the new franchisee (without compensation to Franchisee).

(c) Exclusivity. Mobility City Holdings shall not establish, nor license the establishment of, another Mobility City business within the Territory or which serves customers located in the Territory. However, Mobility City Holdings and its affiliates retain the right to do any of the following (all without compensation to Franchisee):

- (i) serve (or authorize other franchisees to serve) customers in the Territory if Franchisee is in default, or if Franchisee is incapable of meeting customer demand in the Territory (in Mobility City Holdings' reasonable opinion);
- (ii) serve (or authorize other franchisees to serve) a particular customer in the Territory if Franchisee fails to properly serve such customer, or if Mobility City Holdings reasonably believes that Franchisee will not properly serve such customer;
- (iii) serve (or authorize other franchisees to serve) a National Account in the Territory, if Franchisee fails to do so according to the terms and conditions for such National Account;
- (iv) establish and license others to establish and operate Mobility City businesses outside the Territory;
- (v) acquire or be acquired by (under any form of business transaction) a Competitor that has (or may in the future have) outlets in the Territory which compete with the Business under trademarks or service marks other than the Marks;
- (vi) operate and license others to operate businesses anywhere that do not sell the same or similar goods or services under the same or similar trademarks or service marks as a Mobility City business; and
- (vii) sell and license others to sell Mobility City products and services to customers in the Territory through channels of distribution (including the internet) other than a Mobility City outlet in the Territory, if (A) such products or services are different from the products and services provided by Franchisee, or (B) Franchisee chooses not to fulfill the order for such product or service.

(d) Policies. Mobility City Holdings may set policies binding on all franchisees regarding soliciting, marketing, and serving customers in another franchisee's territory, and Mobility City Holdings may waive or modify such policies in any circumstance as Mobility City Holdings determines. If Franchisee obtains a customer in the protected territory of another franchisee, then, in addition to all other rights and remedies Mobility City Holdings may have, Mobility City Holdings may in its discretion (i) require Franchisee to transfer the customer to such other franchisee, (ii) require Franchisee to pay such other franchisee 75% of the Adjusted Gross Sales received from such customer, or (iii) fashion such other remedy as Mobility City Holdings deems appropriate.

(e) Referrals. Mobility City Holdings may set policies binding on all franchisees regarding referral fees (and other terms and conditions) when a customer is referred from one Mobility City business to another. Mobility City Holdings may waive or modify such policies in any circumstance as Mobility City Holdings determines.

2.3 Franchisee Control. Franchisee represents that Attachment 1 (i) identifies each owner, officer and director of Franchisee, and (ii) describes the nature and extent of each owner's

interest in Franchisee. If any information on Attachment 1 changes (which is not a Transfer), Franchisee shall notify Mobility City Holdings within 10 days.

2.4 Principal Executive. Franchisee agrees that the person designated as the “Principal Executive” on the Summary Page is the executive primarily responsible for the Business and has decision-making authority on behalf of Franchisee. The Principal Executive must have at least 50% ownership interest in Franchisee. The Principal Executive must participate in the direct operation of the Business and must devote full time and attention to the Business. If the Principal Executive dies, becomes incapacitated, transfers his/her interest in Franchisee, or otherwise ceases to be the executive primarily responsible for the Business, Franchisee shall promptly designate a new Principal Executive, subject to Mobility City Holdings’ reasonable approval.

2.5 Guaranty. If Franchisee is an entity, then Franchisee shall have each Owner sign a personal guaranty of Franchisee’s obligations to Mobility City Holdings, in the form of Attachment 2.

2.6 No Conflict. Franchisee represents to Mobility City Holdings that Franchisee and each of its Owners (i) are not violating any agreement (including any confidentiality or non-competition covenant) by entering into or performing under this Agreement, (ii) are not a direct or indirect owner of any Competitor, and (iii) are not listed or “blocked” in connection with, and are not in violation under, any anti-terrorism law, regulation, or executive order.

ARTICLE 3. TERM

3.1 Term. This Agreement commences on the Effective Date and continues for 10 years.

3.2 Successor Agreement. When the term of this Agreement expires, Franchisee may enter into a successor agreement for up to 2 additional periods of 5 years each, subject to the following conditions prior to each expiration:

- (i) Franchisee notifies Mobility City Holdings of the election to renew between 90 and 180 days prior to the end of the term;
- (ii) Franchisee (and its affiliates) are in compliance with this Agreement and all other agreements with Mobility City Holdings (or any of its affiliates) at the time of election and at the time of renewal;
- (iii) Franchisee has made or agrees to make (within a period of time acceptable to Mobility City Holdings) renovations and other changes to the Business as Mobility City Holdings requires to conform to the then-current System Standards;
- (iv) Franchisee and its Owners execute Mobility City Holdings’ then-current standard form of franchise agreement and related documents (including personal guaranty), which may be materially different than this form (including, without limitation, higher and/or different fees), except that Franchisee will not pay another initial franchise fee and will not receive more renewal or successor terms than described in this Section; and

- (v) Franchisee and each Owner executes a general release (on Mobility City Holdings' then-standard form) of any and all claims against Mobility City Holdings, its affiliates, and their respective owners, officers, directors, agents and employees.

ARTICLE 4. FEES

4.1 Initial Franchise. Upon signing this Agreement, Franchisee shall pay an initial franchise fee in the amount stated on the Summary Page. This initial franchise fee is not refundable under any circumstances.

4.2 Additional Initial Training. There is no fee for up to three people to attend the training program prior to opening. If Franchisee sends additional people to training prior to opening, the fee is an additional \$500 per person. This additional initial training fee is not refundable. Franchisee is responsible for all travel, meals, lodging, and other out-of-pocket costs of Franchisee's personnel attending training.

4.3 Royalty Fee. Franchisee shall pay Mobility City Holdings each Payment Period a royalty fee (the "Royalty Fee") equal to 7% of Adjusted Gross Sales during the first six months after opening. After Franchisee's first six months after opening, the Royalty Fee will equal the amount stated on the Summary Page, being the greater of (i) \$500 per month for the first 600,000 people in the Territory and \$500 for each additional 500,000 people (or fraction thereof), or (ii) 7% of Adjusted Gross Sales.

4.4 Marketing Fund Contribution. Franchisee shall pay Mobility City Holdings a contribution to the Marketing Fund (the "Marketing Fund Contribution") equal to 1% of Franchisee's Adjusted Gross Sales, as determined by Mobility City Holdings, at the same time as the Royalty Fee.

4.5 Technology Fee. Mobility City Holdings reserves the right to charge Franchisee a commercially-reasonable fee (the "Technology Fee") in exchange for software and other technology-related services and products provided by Mobility City Holdings. Mobility City Holdings has no liability or obligation to Franchisee with respect any third-party software that Mobility City Holdings provides to Franchisee. The Technology Fee for a given month is due and payable at the same time as the Royalty Fee, unless Mobility City Holdings determines otherwise. Any partial month will be pro-rated. Mobility City Holdings may add, remove, or alter the software or technology products or services that it provides. Mobility City Holdings may change Technology Fee. Mobility City Holdings does not guarantee that the Technology Fee is solely a pass-through of Mobility City Holdings' costs.

4.6 Replacement / Additional Training Fee. If Franchisee sends an employee to Mobility City Holdings' training program after opening, Mobility City Holdings may charge its then-current training fee. As of the date of this Agreement, the training fee is \$1,000 per person, except that Mobility City Holdings will not charge a training fee for new technicians hired by Franchisee the first year of operation. Franchisee will be responsible for all travel, lodging, and meals of its employees attending training.

4.7 Non-Compliance Fee. Mobility City Holdings may charge Franchisee \$1,000 for any instance of non-compliance with the System Standards or this Agreement (other than Franchisee's non-payment of a fee owed to Mobility City Holdings) which Franchisee fails to cure after 30 days' notice. Thereafter, Mobility City Holdings may charge Franchisee \$250 per week until Franchisee ceases such non-compliance. This fee is a reasonable estimate of Mobility City Holdings' internal cost of personnel time attributable to addressing the non-compliance, and it is not a penalty or estimate of all damages arising from Franchisee's breach. The non-compliance fee is in addition to all of Mobility City Holdings' other rights and remedies (including default and termination under Section 14.2).

4.8 Reimbursement. Mobility City Holdings may (but is never obligated to) pay on Franchisee's behalf any amount that Franchisee owes to a supplier or other third party. If Mobility City Holdings does so or intends to do so, Franchisee shall pay such amount plus a 10% administrative charge to Mobility City Holdings within 15 days after invoice by Mobility City Holdings accompanied by reasonable documentation.

4.9 Payment Terms.

(a) Method of Payment. Franchisee shall pay the Royalty Fee, Marketing Fund Contribution, Technology Fee, and any other amounts owed to Mobility City Holdings by pre-authorized bank draft or in such other manner as Mobility City Holdings may require. Franchisee shall comply with Mobility City Holdings' payment instructions, including executing all documents reasonably required by Mobility City Holdings.

(b) Calculation of Fees. Franchisee shall report monthly Adjusted Gross Sales to Mobility City Holdings by the 5th day of the following month. If Franchisee fails to report monthly Adjusted Gross Sales, then Mobility City Holdings may withdraw estimated Royalty Fees and Marketing Fund Contributions equal to 125% of the last Adjusted Gross Sales reported to Mobility City Holdings, and the parties will true-up the actual fees after Franchisee reports Adjusted Gross Sales. Franchisee acknowledges that Mobility City Holdings has the right to remotely access Franchisee's point-of-sale system to calculate Adjusted Gross Sales.

(c) Late Fees and Interest. If Franchisee does not make a payment on time, Franchisee shall pay a \$100 "late fee" plus interest on the unpaid amount at a rate equal to 18% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law).

(d) Insufficient Funds. Mobility City Holdings may charge \$30 for any payment returned for insufficient funds (or, if such amount exceeds the maximum allowed by law, then the fee allowed by law).

(e) Costs of Collection. Franchisee shall repay any costs incurred by Mobility City Holdings (including reasonable attorney fees) in attempting to collect payments owed by Franchisee.

(f) Application. Mobility City Holdings may apply any payment received from Franchisee to any obligation and in any order as Mobility City Holdings may determine, regardless of any designation by Franchisee.

(g) Obligations Independent; No Set-Off. The obligations of Franchisee to pay to Mobility City Holdings any fees or amounts described in this Agreement are not dependent on Mobility City Holdings' performance and are independent covenants by Franchisee. Franchisee shall make all such payments without offset or deduction.

(h) Change of Payment Period. After at least 30 days prior notice to Franchisee, Mobility City Holdings may change the Payment Period to weekly, bi-weekly, or other reasonable time period that Mobility City Holdings determines.

(i) Taxes. Franchisee will be responsible for all sales taxes, use taxes, and other taxes imposed on the fees payable by Franchisee to Mobility City Holdings or its affiliates and on services or goods furnished to Franchisee by Mobility City Holdings or its affiliates, unless the tax is an income tax assessed on Mobility City Holdings or its affiliate for doing business in the state where the Business is located.

ARTICLE 5. ASSISTANCE

5.1 Manual. Mobility City Holdings shall make its Manual available to Franchisee.

5.2 Pre-Opening Assistance.

(a) Selecting Location. Mobility City Holdings shall provide its criteria for Mobility City locations to Franchisee. Mobility City Holdings will review and advise Franchisee regarding potential locations submitted by Franchisee.

(b) Vendors. To the extent applicable, Mobility City Holdings shall provide its specifications and list of Approved Vendors and/or Required Vendors for equipment, signs, fixtures, opening inventory, and supplies to open the Business.

(b) Business Plan Review. If requested by Franchisee, Mobility City Holdings shall review and advise on Franchisee's pre-opening business plan and financial projections. **Franchisee acknowledges that Mobility City Holdings accepts no responsibility for the performance of the Business.**

(c) Pre-Opening Training. Mobility City Holdings shall make available its standard pre-opening training without charge to the Principal Executive and up to two other employees, at Mobility City Holdings' headquarters and/or at a Mobility City business designated by Mobility City Holdings. Franchisee is responsible for its own travel, lodging, meal, and other out-of-pocket expenses. Mobility City Holdings reserves the right to vary the length and content of the initial training program based on the experience and skill level of any individual attending the program.

(d) Market Introduction Plan. Mobility City Holdings will provide a market introduction plan and advise Franchisee regarding the execution of the market introduction plan.

(e) On-Site Opening Assistance. Mobility City Holdings shall have a representative support Franchisee's business opening with at least two days of onsite opening training and

assistance, at Mobility City Holdings' expense (provided that Mobility City Holdings may postpone on-site support to due pandemic conditions or other business factors).

5.3 Post-Opening Assistance.

(a) Advice, Consulting, and Support. If Franchisee requests, Mobility City Holdings will provide advice to Franchisee (by telephone or electronic communication) regarding improving and developing Franchisee's business, and resolving operating problems Franchisee encounters, to the extent Mobility City Holdings deems reasonable. If Mobility City Holdings provides in-person support in response to Franchisee's request, Mobility City Holdings may charge its then-current fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support).

(b) Pricing. Upon request, Mobility City Holdings will provide recommended prices for products and services offered by franchisees of the System.

(c) Procedures. Upon request, Mobility City Holdings will recommend administrative, bookkeeping, accounting, and/or inventory control procedures. Such recommendations are in addition to procedures that are required System Standards.

(d) Marketing. Mobility City Holdings shall manage the Marketing Fund.

(e) Internet. Mobility City Holdings shall maintain a website for Mobility City, which will include Franchisee's location (or territory) and telephone number.

ARTICLE 6. LOCATION, DEVELOPMENT, AND OPENING

6.1 Location. If the Location is not stated on the Summary Page, then Franchisee shall find a potential Location within the Territory. Franchisee shall submit its proposed Location to Mobility City Holdings for acceptance, with all related information Mobility City Holdings may request. If Mobility City Holdings does not accept the proposed Location in writing within 30 days, then it is deemed rejected. **Mobility City Holdings' advice regarding or acceptance of a proposed Location is not a representation or warranty that the Business will be successful or that the Business is permitted to be operated at the Location under applicable laws or zoning ordinances, and Mobility City Holdings has no liability to Franchisee with respect to the location of the Business.**

6.2 Lease. In connection with any lease between Franchisee and the landlord of the Location: (i) if requested by Mobility City Holdings, Franchisee must submit the proposed lease to Mobility City Holdings for written approval, and (ii) the term of the lease (including renewal terms) must be for a period of not less than the term of this Agreement.

6.3 Development. Franchisee shall construct (or remodel) and finish the Location in conformity with Mobility City Holdings' System Standards. Franchisee shall not begin any construction or remodeling work without first obtaining Mobility City Holdings' approval of Franchisee's plans. and without first obtaining any required permits or licenses necessary to commence such construction or remodeling work. Franchisee must engage a qualified licensed general contractor to perform such construction or remodeling work. Mobility City Holdings

may, but is not required to, inspect Franchisee's construction or remodeling progress at any reasonable time. Franchisee shall not rely upon any information provided or opinions expressed by Mobility City Holdings or its representatives regarding any architectural, engineering, or legal matters (including without limitation the Americans With Disabilities Act) in the development and construction of the Business, and Mobility City Holdings assumes no liability with respect thereto. Mobility City Holdings' inspection and/or approval to open the Business is not a representation or a warranty that the Business has been constructed in accordance with any architectural, engineering, or legal standards.

6.4 New Franchisee Training. Before Franchisee opens for business, Franchisee's Principal Executive must complete Mobility City Holdings' training program for new franchisees to the satisfaction of Mobility City Holdings. Franchisee's Principal Executive must commence such training no later than 90 days following the execution of the Franchise Agreement.

6.5 Technician Training. Before Franchisee opens for business, Franchisee's initial technician must attend and complete Mobility City Holdings' technician training program. Any additional technicians hired within the first twelve months after opening must also attend and complete such program. After such initial period, Mobility City Holdings reserves the right to require additional technicians to attend such program, or to permit Franchisee to conduct their training.

6.6 Opening Deadlines.

(a) Soft Opening. No later than four weeks following Franchisee's completion of initial training, Franchisee shall be open for business as a mobile operation (the "Soft Opening"), meaning that (i) Owner has completed the initial training program, (ii) Franchisee has obtained its initial Mobility City van, (iii) Franchisee has hired a technician and the technician has completed the initial training program, (iv) Franchisee has obtained necessary tools and inventory, and (v) Franchisee has obtained any required governmental permits and licenses.

(b) Showroom Opening. No later than 180 days following Franchisee's Soft Opening, Franchisee must have the Location fully functional and open to the public.

ARTICLE 7. OPERATIONS

7.1 Compliance with Manual and System Standards. Franchisee shall at all times and at its own expense comply with all mandatory obligations contained in the Manual and with all other System Standards. Franchisee understands and agrees that the System does not remain static and may be altered by Mobility City Holdings in its discretion, including (without limitation) changes to the System due to technology, competitive circumstances, demographics, populations, consumer trends, societal trends and other marketplace variables. Franchisee expressly understands and agrees that Franchisor may from time to time change the components of the System, including, but not limited to, altering the products, programs, services, methods, standards, forms, policies and procedures of that System; adding to, deleting from or modifying those products, programs and services which Franchisee's Business is authorized and required to offer; modifying or substituting entirely the building, premises, vehicles, equipment, signage, trade dress, decor, color schemes and uniform specifications and all other unit construction,

design, appearance and operation attributes which Franchisee is required to observe hereunder. Franchisee expressly agrees to comply with any such modifications, changes, additions, deletions, substitutions and alterations. Franchisee shall accept, use and effectuate any such changes or modifications to, or substitution of, the System as if they were part of the System at the time that this Agreement was executed.

7.2 Compliance with Law. Franchisee and the Business shall comply with all laws and regulations. Franchisee and the Business shall obtain and keep in force all governmental permits and licenses necessary for the Business.

7.3 Products and Services. Franchisee shall offer all products and services, and only those products and services, from time to time prescribed by Mobility City Holdings in the Manual or otherwise in writing. Franchisee shall comply with all System Standards regarding quality of products and services. Franchisee shall perform all services in a high-quality manner that meets or exceeds the customer's reasonable expectations. Franchisee shall maintain sufficient levels of inventory at all times, as reasonably determined by Mobility City Holdings. Franchisee shall offer and implement any guaranties, warranties (including extended warranties), or similar commitments regarding products and/or services that Mobility City Holdings may require. Franchisee shall sell products and services only to customers in the Territory. Franchisee shall not sell products online or by any third-party delivery.

7.4 Prices. Mobility City Holdings may require Franchisee to offer products and services at specific prices determined by Mobility City Holdings if Mobility City Holdings is promoting such products and services on a national, regional, or local market basis, for the duration of the promotion (but only to the extent permitted by applicable law). Mobility City Holdings reserves the right to negotiate prices for National Accounts. Otherwise, Franchisee retains the discretion to determine prices it charges for products and services.

7.5 Personnel.

(a) Service. Franchisee shall cause its personnel to render competent and courteous service to all customers and members of the public.

(b) Minimum Staffing. Unless otherwise permitted by Mobility City Holdings, Franchisee must have at least one technician per van deployed, one full time utility person (handling marketing, service sales, and other functions), and two full-time showroom product consultants (which employees are in addition to the Principal Executive). The full-time utility person must be hired by the Showroom Opening. The first full-time showroom product consultant must be hired by the opening of the Location, and the second full-time showroom product consultant must be hired no later than 60 days following the opening of the Location.

(c) Appearance. Franchisee shall cause its personnel to comply with any dress attire, uniform, personal appearance, and hygiene standards set forth in the Manual.

(d) Qualifications. Mobility City Holdings may set minimum qualifications for categories of employees employed by Franchisee.

(e) **Sole Responsibility.** Franchisee is solely responsible for all hiring decisions and all terms and conditions of employment of all of its personnel, including recruiting, hiring, scheduling, supervising, compensation, and termination. Franchisee is solely responsible for all actions of its personnel. Franchisee and Mobility City Holdings are not joint employers, and no employee of Franchisee will be an agent or employee of Mobility City Holdings. Within seven days of Mobility City Holdings request, Franchisee and each of its employees will sign an acknowledgment form stating that Franchisee alone (and not Mobility City Holdings) is the employee's sole employer. Franchisee will use its legal name on all documents with its employees and independent contractors, including, but not limited to, employment applications, timecards, pay checks, and employment and independent contractor agreements, and Franchisee will not use the Marks on any of these documents.

(f) **Post-Opening Training.** Mobility City Holdings may at any time require that the Principal Executive and/or any other employees complete training programs, in any format and in any location determined by Mobility City Holdings. Mobility City Holdings may charge a reasonable fee for any training programs. Mobility City Holdings may require Franchisee to provide training programs to its employees. If a training program is held at a location which requires travel by the Principal Executive or any other employee, then Franchisee shall pay all travel, living and other expenses.

7.6 Minimum Days and Hours of Operation. Franchisee must be open to public for such days and hours as Mobility City Holdings may specify from time to time as System Standards. As of the date of this Agreement, the minimum days and hours of operation are Monday to Friday for eight hours and Saturday for four hours, except for holiday closures on New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving day, Christmas Day.

7.7 Software. Without limiting the generality of Section 7.1 or Section 8.1, Franchisee shall acquire and use all software and related systems required by Mobility City Holdings. Franchisee shall enter into any subscription and support agreements that Mobility City Holdings may require. Franchisee shall upgrade, update, or replace any software from time to time as Mobility City Holdings may require. Franchisee shall protect the confidentiality and security of all software systems, and Franchisee shall abide by any System Standards related thereto. Franchisee shall give Mobility City Holdings unlimited access to Franchisee's point of sale system and other software systems used in the Business (including any online accounts or social media accounts), by any means designated by Mobility City Holdings.

7.8 Customer Complaints. Franchisee shall use its best efforts to promptly resolve any customer complaints. Mobility City Holdings may take any action it deems appropriate to resolve a customer complaint regarding the Business, and Mobility City Holdings may require Franchisee to reimburse Mobility City Holdings for any expenses.

7.9 Evaluation and Compliance Programs. Franchisee shall participate at its own expense in programs required from time to time by Mobility City Holdings for obtaining customer evaluations, reviewing Franchisee's compliance with the System, and/or managing customer feedback, which may include (but are not limited to) a customer feedback system, customer survey programs, and mystery shopping. Mobility City Holdings shall share with Franchisee the

results of these programs, as they pertain to the Business. Franchisee must meet or exceed any minimum score requirements set by Mobility City Holdings for such programs.

7.10 Payment Systems. Franchisee shall accept payment from customers in any form or manner designated by Mobility City Holdings (which may include, for example, cash, specific credit and/or debit cards, gift cards, electronic fund transfer systems, and mobile payment systems). Franchisee shall purchase or lease all equipment and enter into all business relationships necessary to accept payments as required by Mobility City Holdings. Franchisee must at all times comply with payment card industry data security standards (PCI-DSS).

7.11 Extended Warranty, Loyalty and Incentive Programs. At its own expense, Franchisee shall sell or otherwise issue gift cards, certificates, or other pre-paid systems, and participate in any customer extended warranty, loyalty programs, membership or subscription sales programs, and/or customer incentive programs, designated by Mobility City Holdings, in the manner specified by Mobility City Holdings in the Manual or otherwise in writing. Franchisee shall honor all valid gift cards and other pre-paid systems, regardless of whether issued by Franchisee or another Mobility City business. Franchisee shall comply with all procedures and specifications of Mobility City Holdings related to gift cards, certificates, and other pre-paid systems, or related to customer loyalty, membership/subscription programs, or customer incentive programs.

7.12 National Accounts. Mobility City Holdings may designate customers as National Accounts and set policies and negotiate terms and conditions with National Accounts (or with a group purchasing organization (GPO) acting on behalf of the National Account) on behalf of franchisees, including, without limitation, prices, referral fees, qualifications to serve the accounts, scope of work performed, and customer relationship management. Franchisee must comply with all terms and conditions set by Mobility City Holdings with a National Account, and Franchisee cannot refuse to service the National Account on such terms and conditions.

7.13 Vehicles.

(a) General Requirement. Franchisee must purchase and operate white vans (provided that a second vehicle may be a box truck) that all times comply with all with all applicable System Standards, including without limitation required equipment and exterior décor. Franchisee shall keep all vehicles in excellent or better repair, clean, and free of dents and other damage, and shall ensure that the vehicles present a first-class image appropriate to Mobility City Holdings' System. Franchisee shall use the vehicles solely for the Business. Franchisee must obtain Mobility City Holdings' approval before acquiring any vehicle.

(b) Deployment of Additional Vans. Franchisee shall deploy additional vans on the schedule set forth on Attachment 3. If Franchisee fails to comply with the deployment schedule, Mobility City Holdings may (i) reduce the size of the Territory in Mobility City Holdings' discretion, or (ii) declare Franchisee in default of this Agreement and exercise all remedies available to Mobility City Holdings for Franchisee's default, including termination without the opportunity to cure.

7.14 Customer Communications. Franchisee must meet the System Standards regarding customer communications as determined by Mobility City Holdings. Such System Standards currently include: (a) Franchisee must have at least four phone lines for the Business, (b) Franchisee must use best efforts to answer all call during business hours, and (c) Franchisee cannot use a third-party answering service during business hours.

7.15 Business Plans. At such times as Mobility City Holdings may require, Franchisee shall submit periodic business plans (including a situation analysis, marketing strategy, sales forecast, and expense budget) to Mobility City Holdings for review. **Mobility City Holdings' review of a business plan or any recommendations on a business plan does not create any liability by Mobility City Holdings to Franchisee.**

7.16 Insurance.

(a) Franchisee shall obtain and maintain insurance policies in the types and amounts as specified by Mobility City Holdings in the Manual. If not specified in the Manual, Franchisee shall maintain at least the following insurance coverage:

- (i) General Liability on an occurrence basis with limits not less than \$1,000,000 per occurrence/\$2,000,000 aggregate per policy year. The following minimum sub-limits must be met: \$1,000,000 Personal & Advertising Injury, \$2,000,000 Products/Completed Operations Aggregate, \$300,000 Damage to Rented Premises and \$10,000 Medical Expense.
- (ii) Owned, Hired & Non-Owned Auto Liability coverage not less than \$1,000,000 combined single limit each accident.
- (iii) Special Form property insurance in an amount appropriate to cover full replacement value of contents. Business Income and Extra Expense must be included on an actual loss sustained basis for a minimum of 12 months.
- (iv) Workers Compensation and Employers Liability insurance with minimum limits no less than \$500,000 per accident for bodily injury by accident; \$500,000 policy limit by disease; and \$500,000 per employee for bodily injury by disease or higher coverage as required by law in Franchisee's state.
- (v) 1st and 3rd Party Crime coverage with a limit no less than \$25,000 (this requirement can be satisfied with a bond).
- (vi) Umbrella Liability with a \$1,000,000 minimum limit to extend over general liability, owned/hired/non-owned liability and employer's liability.
- (vii) Professional Liability on an occurrence basis with limits not less than \$1,000,000 per occurrence/\$1,000,000 aggregate.
- (viii) Employment Practices Liability (EPL) with a \$1,000,000 minimum limit. Coverage must include a 3rd party endorsement.

(ix) Cyber Liability with a \$1,000,000 minimum limit. Coverage must include a 3rd party endorsement.

(b) Franchisee's policies (other than Workers Compensation) must (1) list Mobility City Holdings and its affiliates as an additional insured, (2) include a waiver of subrogation in favor of Mobility City Holdings and its affiliates, (3) be primary and non-contributing with any insurance carried by Mobility City Holdings or its affiliates, and (4) stipulate that Mobility City Holdings shall receive 30 days' prior written notice of cancellation. Policy and coverage level deductibles shall not exceed \$5,000 for any coverages. All insurance companies must carry an A.M. Best's Rating of "A-/Excellent" or better.

(c) Franchisee shall provide Certificates of Insurance evidencing the required coverage to Mobility City Holdings prior to opening and upon annual renewal of the insurance coverage, as well as at any time within 10 days after request by Mobility City Holdings.

7.17 Maintenance, Repair, and Remodeling. Franchisee shall at all times keep the Location in a neat and clean condition, perform all appropriate maintenance, and keep all physical property in good repair. In addition, Franchisee shall promptly perform all work on the physical property of the Business as Mobility City Holdings may prescribe from time to time, including but not limited to periodic interior and exterior painting and replacement signage, floor coverings, furnishings, equipment, and décor. Franchisee acknowledges that the System Standards may include requirements for cleaning, maintenance, and repair. Mobility City Holdings may require Franchisee to remodel the Location to the then-current System Standards for a new franchise.

7.18 Obligations to Third Parties. Franchisee shall pay all vendors and suppliers in a timely manner. Franchisee shall pay all taxes when due. If Franchisee borrows money, it shall comply with the terms of its loan and make all loan payments when due. If Franchisee leases the Location, Franchisee shall comply with its lease for the Location and make all rent payments when due.

7.19 Public Relations. Franchisee shall not make any public statements (including giving interviews or issuing press releases) regarding Mobility City, the Business, or any particular incident or occurrence related to the Business, without Mobility City Holdings' prior written approval, which will not be unreasonably withheld.

7.20 Association with Causes. Franchisee shall not in the name of the Business (i) donate money, products, or services to any charitable, political, religious, or other organization or cause, or (ii) act in support of any such organization or cause, without Mobility City Holdings' prior written approval, which will not be unreasonably withheld.

7.21 No Third-Party Management. Franchisee shall not engage a third-party management company to manage or operate the Business without the prior written approval of Mobility City Holdings, which will not be unreasonably withheld.

7.22 No Other Activity Associated with the Business. Franchisee shall not engage in any activity at the Location other than operation of the Mobility City Business. Franchisee shall not use the assets of the Business for any purpose other than the Business. If Franchisee is an entity, the entity shall not own or operate any other business except Mobility City businesses.

7.23 No Subcontracting. Franchisee shall not subcontract or delegate to a third party any services to be performed by Franchisee for a customer (other than engaging individuals as independent contractors in the ordinary course of business).

7.24 Meetings. The Principal Executive shall use reasonable efforts to attend all in-person meetings and remote meetings (such as telephone or video conference calls) that Mobility City Holdings requires, including any national or regional brand conventions. Franchisee shall not permit the Principal Executive to fail to attend more than three consecutive required meetings.

7.25 Privacy Practices.

(a) With respect to Privacy Information, Franchisee must comply with all of their obligations under applicable privacy laws, including any local, state, or federal data privacy or data security law or regulation.

(b) Franchisee shall not sell any Privacy Information. Franchisee further agrees to not access, use, or process the Privacy Information except in the furtherance of its obligations under this Agreement, but in all times, in compliance with applicable privacy laws.

(c) To the extent Mobility City Holdings does not have the then-current ability to address requests made under any applicable privacy law by individuals that are the subject of any of the Privacy Information, Franchisee shall, upon Mobility City Holdings' request, provide reasonable assistance to Mobility City Holdings in responding to such requests.

(d) In the event of a Data Security Event, Franchisee must notify Mobility City Holdings immediately after becoming aware of the Data Security Event and shall cooperate with Mobility City Holdings and follow all of Mobility City Holdings' reasonable requests to address the Data Security Event and to protect any Privacy Information and/or Confidential Information. Mobility City Holdings, or its designee, has the right, but not the obligation, to take any action or pursue any proceeding with respect to the Data Security Event.

7.26 Communication. Franchisee shall respond promptly to requests for communication from Mobility City Holdings, and in any event within two business days.

7.27 Identification. Franchisee must identify itself as the independent owner of the Business in the manner prescribed by Mobility City Holdings. Franchisee must display at the Business signage prescribed by Mobility City Holdings identifying the Location as an independently owned franchise.

7.28 Business Practices. Franchisee, in all interactions with customers, employees, vendors, governmental authorities, and other third parties, shall be honest and fair. Franchisee shall comply with any code of ethics or statement of values from Mobility City Holdings. Franchisee shall not take any action which may injure the goodwill associated with the Marks.

ARTICLE 8. SUPPLIERS AND VENDORS

8.1 Generally. Franchisee shall acquire all Inputs required by Mobility City Holdings from time to time in accordance with System Standards. Mobility City Holdings may require

Franchisee to purchase or lease any Inputs from Mobility City Holdings, Mobility City Holdings' designee, Required Vendors, Approved Vendors, and/or under Mobility City Holdings' specifications. Mobility City Holdings may change any such requirement or change the status of any vendor. To make such requirement or change effective, Mobility City Holdings shall issue the appropriate System Standards.

8.2 Alternate Vendor Approval. If Mobility City Holdings requires Franchisee to purchase a particular Input only from an Approved Vendor or Required Vendor, and Franchisee desires to purchase the Input from another vendor, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Mobility City Holdings. Mobility City Holdings may approve or disapprove the alternative vendor in its sole discretion. Mobility City Holdings may condition its approval on such criteria as Mobility City Holdings deems appropriate, which may include evaluations of the vendor's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Mobility City Holdings will provide Franchisee with written notification of the approval or disapproval of any proposed new vendor within 30 days after receipt of Franchisee's request.

8.3 Alternate Input Approval. If Mobility City Holdings requires Franchisee to purchase a particular Input, and Franchisee desires to purchase an alternate to the Input, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Mobility City Holdings. Mobility City Holdings may approve or disapprove the alternative Input in its sole discretion. Mobility City Holdings will provide Franchisee with written notification of the approval or disapproval of any proposed alternate Input within 30 days after receipt of Franchisee's request.

8.4 Purchasing. Mobility City Holdings may negotiate prices and terms with vendors on behalf of the System. Mobility City Holdings may receive rebates, payments or other consideration from vendors in connection with purchases by franchisees. Mobility City Holdings has the right (but not the obligation) to collect payments from Franchisee on behalf of a vendor and remit the payments to the vendor, and impose a reasonable markup or charge for administering the payment program. Mobility City Holdings may implement a centralized purchasing system. Mobility City Holdings may establish a purchasing cooperative and require Franchisee to join and participate in the purchasing cooperative on such terms and conditions as Mobility City Holdings may determine.

8.5 No Liability of Franchisor. Mobility City Holdings shall not have any liability to Franchisee for any claim or loss related to any product provided or service performed by any Approved Vendor or Required Vendor, including without limitation defects, delays, unavailability, failure to perform, or breach of contract related to such products of services.

8.6 Product Recalls. If Mobility City Holdings or any vendor, supplier, or manufacturer of an item used or sold in Franchisee's Business issues a recall of such item or otherwise notifies Franchisee that such item is defective or dangerous, Franchisee shall immediately cease using or selling such item, and Franchisee shall at its own expense comply with all instructions from Mobility City Holdings or the vendor, supplier, or manufacturer of such item with respect to such item, including without limitation the recall, repair, and/or replacement of such item.

ARTICLE 9. MARKETING

9.1 Approval and Implementation. Franchisee shall not conduct any marketing, advertising, or public relations activities (including in-store marketing materials, websites, online advertising, social media marketing or presence, and sponsorships) that have not been approved by Mobility City Holdings. Mobility City Holdings may (but is not obligated to) operate all “social media” accounts on behalf of the System, or it may permit franchisees to operate one or more accounts. Franchisee must comply with any System Standards regarding marketing, advertising, and public relations, including any social media policy that Mobility City Holdings may prescribe. Franchisee shall implement any marketing plans or campaigns determined by Mobility City Holdings. Franchisee shall provide access to all data regarding marketing, advertising, or public relations activities as requested by Mobility City Holdings.

9.2 Use by Mobility City Holdings. Mobility City Holdings may use any marketing materials or campaigns developed by or on behalf of Franchisee, and Franchisee hereby grants an unlimited, perpetual, royalty-free license to Mobility City Holdings for such purpose.

9.3 Marketing Fund. Mobility City Holdings has established a Marketing Fund to promote the System on a local, regional, national, and/or international level, as follows:

(a) Separate Account. Mobility City Holdings shall hold the Marketing Fund Contributions from all franchisees in one or more bank accounts separate from Mobility City Holdings’ other accounts.

(b) Use. Mobility City Holdings shall use the Marketing Fund only for marketing, advertising, and public relations materials, programs and campaigns (including at local, regional, national, and/or international level), and related overhead for Mobility City. The foregoing includes such activities and expenses as Mobility City Holdings reasonably determines, and may include, without limitation: development and placement of advertising and promotions; sponsorships; contests and sweepstakes; development of décor, trade dress, Marks, and/or branding; development and maintenance of brand websites; social media; internet activities; e-commerce programs; search engine optimization; market research; public relations, media or agency costs; trade shows and other events; printing and mailing; and administrative and overhead expenses related to the Marketing Fund (including the compensation of Mobility City Holdings’ employees working on marketing and for accounting, bookkeeping, reporting, legal and other expenses related to the Marketing Fund).

(c) Discretion. Franchisee agrees that expenditures from the Marketing Fund need not be proportionate to contributions made by Franchisee or provide any direct or indirect benefit to Franchisee. The Marketing Fund will be spent at Mobility City Holdings’ sole discretion, and Mobility City Holdings has no fiduciary duty with regard to the Marketing Fund.

(d) Contribution by Other Outlets. Mobility City Holdings is not obligated to (i) have all other Mobility City businesses (whether owned by other franchisees or by Mobility City Holdings or its affiliates) contribute to the Marketing Fund, or (ii) have other Mobility City businesses that do contribute to the Marketing Fund contribute the same amount or at the same rate as Franchisee.

(e) Surplus or Deficit. Mobility City Holdings may accumulate funds in the Marketing Fund and carry the balance over to subsequent years. If the Marketing Fund operates at a deficit or requires additional funds at any time, Mobility City Holdings may loan such funds to the Marketing Fund on reasonable terms.

(e) Financial Statement. Mobility City Holdings will prepare an unaudited annual financial statement of the Marketing Fund within 120 days of the close of Mobility City Holdings' fiscal year and will provide the financial statement to Franchisee upon request.

9.4 Required Spending. Franchisee shall spend at least 5% of Adjusted Gross Sales each month on marketing the Business, such as online and offline advertising. Franchisee must spend at least \$2,000 per month on online marketing per 1 million population in the Territory and least two full-page color advertisements per month in a local print publication (which spending counts towards the 5% minimum spending). Within 10 days after request of Mobility City Holdings, Franchisee shall furnish proof of its compliance with this Section. Mobility City Holdings has the discretion to determine in good faith what activities constitute "marketing" under this Section.

9.5 Marketing Plans.

(a) Pre-Opening. Franchisee must implement the market introduction plan provided by Mobility City Holdings, at Franchisee's expense.

(b) Post-Opening. At such times as Mobility City Holdings may require, Franchisee must develop periodic marketing plans and obtain Mobility City Holdings' approval of such plans.

ARTICLE 10. RECORDS AND REPORTS

10.1 Systems. Franchisee shall use such customer data management, sales data management, administrative, bookkeeping, accounting, and inventory control procedures and systems as Mobility City Holdings may specify in the Manual or otherwise in writing.

10.2 Reports.

(a) Financial and Tax Reports. Franchisee shall provide such periodic financial reports as Mobility City Holdings may require in the Manual or otherwise in writing, including:

- (i) a monthly profit and loss statement and balance sheet for the Business within 30 days after the end of each calendar month;
- (ii) an annual financial statement (including profit and loss statement, cash flow statement, and balance sheet) for the Business within 90 days after the end of the calendar year;
- (iii) any information Mobility City Holdings requests in order to prepare a financial performance representation for Mobility City Holdings' franchise disclosure document; and

(iv) copies of all state sales tax returns and annual federal income tax returns, within 30 days of submission.

(b) Legal Actions and Investigations. Franchisee shall promptly notify Mobility City Holdings of any Action or threatened Action by any customer, governmental authority, or other third party against Franchisee or the Business, or otherwise involving Franchisee or the Business. Franchisee shall provide such documents and information related to any such Action as Mobility City Holdings may request.

(c) Government Inspections. Franchisee shall give Mobility City Holdings copies of all inspection reports, warnings, certificates, and ratings issued by any governmental entity with respect to the Business, within three days of Franchisee's receipt thereof.

(d) Other Information. Franchisee shall submit to Mobility City Holdings such other financial statements, budgets, forecasts, reports, records, copies of contracts, documents related to litigation, tax returns, copies of governmental permits, marketing and advertising data, and other documents and information related to the Business as specified in the Manual or that Mobility City Holdings may reasonably request (either upon specific request or on a regular basis as directed by Mobility City Holdings, as applicable). Mobility City Holdings acknowledges that all personnel records of the Business belong to Franchisee and that this Agreement does not grant Mobility City Holdings the right to access personnel records of Franchisee's employees.

10.3 Initial Investment Report. Within 120 days after opening for business, Franchisee shall submit to Mobility City Holdings a report detailing Franchisee's investment costs to develop and open the Business, with costs allocated to the categories described in Item 7 of Mobility City Holdings' Franchise Disclosure Document and with such other information as Mobility City Holdings may request.

10.4 Business Records. Franchisee shall keep complete and accurate books and records reflecting all expenditures and receipts of the Business, with supporting documents (including, but not limited to, payroll records, payroll tax returns, register receipts, production reports, sales invoices, bank statements, deposit receipts, cancelled checks and paid invoices) for at least three years. Franchisee shall keep such other business records as Mobility City Holdings may specify in the Manual or otherwise in writing.

10.5 Records Audit. Mobility City Holdings may examine and audit all books and records related to the Business (other than personnel records of Franchisee's employees), and supporting documentation, at any reasonable time. Mobility City Holdings may conduct the audit at the Location and/or require Franchisee to deliver copies of books, records and supporting documentation to a location designated by Mobility City Holdings. Franchisee shall also reimburse Mobility City Holdings for all costs and expenses of the examination or audit if (i) Mobility City Holdings conducted the audit because Franchisee failed to submit required reports or was otherwise not in compliance with the System, or (ii) the audit reveals that Franchisee understated Adjusted Gross Sales by 3% or more for any calendar month.

ARTICLE 11. FRANCHISOR RIGHTS

11.1 Manual; Modification. The Manual, and any part of the Manual, may be in any form or media determined by Mobility City Holdings. Mobility City Holdings may supplement, revise, or modify the Manual, and Mobility City Holdings may change, add or delete System Standards at any time in its discretion. Mobility City Holdings may inform Franchisee thereof by any method that Mobility City Holdings deems appropriate (which need not qualify as “notice” under Section 18.9). In the event of any dispute as to the contents of the Manual, Mobility City Holdings’ master copy will control.

11.2 Business Evaluation. Mobility City Holdings may accompany Franchisee or its personnel on any services performed for a customer to conduct an evaluation. Mobility City Holdings may enter the premises of the Business from time to time during normal business hours and conduct an evaluation. Franchisee shall cooperate with Mobility City Holdings’ evaluators. The evaluation may include, but is not limited to, observing operations, conducting a physical inventory, evaluating physical conditions, monitoring sales activity, speaking with employees and customers, and removing samples of products, supplies and materials. Mobility City Holdings may videotape and/or take photographs of the evaluation. Mobility City Holdings may set a minimum score requirement for evaluations, and Franchisee’s failure to meet or exceed the minimum score will be a default under this Agreement. Without limiting Mobility City Holdings’ other rights under this Agreement, Franchisee will, as soon as reasonably practical, correct any deficiencies noted during an evaluation. If Mobility City Holdings conducts an evaluation because of a governmental report, customer complaint or other customer feedback, or a default or non-compliance with any System Standard by Franchisee (including following up a previous failed evaluation), then Mobility City Holdings may charge all out-of-pocket expenses plus its then-current evaluation fee to Franchisee.

11.3 Mobility City Holdings’ Right to Cure. If Franchisee breaches or defaults under any provision of this Agreement, Mobility City Holdings may (but has no obligation to) take any action to cure the default on behalf of Franchisee, without any liability to Franchisee. Franchisee shall reimburse Mobility City Holdings for its costs and expenses (including the allocation of any internal costs) for such action, plus 10% as an administrative fee.

11.4 Right to Discontinue Supplies Upon Default. While Franchisee is in default or breach of this Agreement, Mobility City Holdings may (i) require that Franchisee pay cash on delivery for products or services supplied by Mobility City Holdings, (ii) stop selling or providing any products and services to Franchisee, and/or (iii) request any third-party vendors to not sell or provide products or services to Franchisee. No such action by Mobility City Holdings shall be a breach or constructive termination of this Agreement, change in competitive circumstances or similarly characterized, and Franchisee shall not be relieved of any obligations under this Agreement because of any such action. Such rights of Mobility City Holdings are in addition to any other right or remedy available to Mobility City Holdings.

11.5 Business Data. All customer data collected by or generated by the Business and all data collected or generated by the primary software operating system of the Business is Confidential Information (other than data related to employees of the Business) and is exclusively owned by Mobility City Holdings. Mobility City Holdings hereby licenses such data back to Franchisee

without charge solely for Franchisee's use in connection with the Business for the term of this Agreement.

11.6 Innovations. Franchisee shall disclose to Mobility City Holdings all ideas, plans, improvements, concepts, methods, and techniques relating to the Business (collectively, "Innovations") conceived or developed by Franchisee or its employees, agents, or contractors. Mobility City Holdings will automatically own all Innovations, and Mobility City Holdings will have the right to use and incorporate any Innovations into the System, without any compensation to Franchisee. Franchisee shall execute any documents reasonably requested by Mobility City Holdings to document Mobility City Holdings ownership of Innovations.

11.7 Communication Systems. If Mobility City Holdings provides email accounts and/or other communication systems to Franchisee, then Franchisee acknowledges that it has no expectation of privacy in the assigned email accounts and other communications systems, Franchisee and authorizes Mobility City Holdings to access such communications.

11.8 Communication with Employees. Franchisee irrevocably authorizes Mobility City Holdings to communicate with Franchisee's employees and contractors on any matter related to the System or the Business. Franchisee will not prohibit any employee or contractor from communicating with Mobility City Holdings on any matter related to the System or the Business.

11.9 Communications with Landlord and Lenders. Franchisee irrevocably authorizes Mobility City Holdings to communicate with Franchisee's landlord and lender(s), or prospective landlord and lender(s), about matters relating to the Business, and to provide information about the Business to them.

11.10 Delegation. Mobility City Holdings may delegate any duty or obligation of Mobility City Holdings under this Agreement to an affiliate or a third party.

11.11 Franchisor's Discretion. Mobility City Holdings may engage in any activity not expressly prohibited by this Agreement. Whenever this Agreement provides that Mobility City Holdings has a certain right, that right is absolute and the parties intend that Mobility City Holdings' exercise of that right will not be subject to any limitation or review. Mobility City Holdings has the right to operate, administrate, develop, and change the System in any manner that is not specifically precluded by the provisions of this Agreement, although this right does not modify any express limitations set forth in this Agreement. Whenever Mobility City Holdings agrees to exercise its rights reasonably or in good faith, Mobility City Holdings will have satisfied its obligations whenever it exercises reasonable business judgment in making a decision or exercising its rights. Mobility City Holdings' decisions or actions will be deemed to be the result of reasonable business judgment, even if other reasonable or even arguably preferable alternatives are available, if Mobility City Holdings' decision or action is intended, in whole or significant part, to promote or benefit the System or the Mobility City brand generally even if the decision or action also promotes Mobility City Holdings' financial or other individual interest. Examples of items that will promote or benefit the System or the Mobility City brand include enhancing the value of the Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System and Mobility City outlets.

11.12 System Variations. Mobility City Holdings may vary or waive any System Standard for any one or more Mobility City franchises due to the peculiarities of the particular site or circumstances, density of population, business potential, population of trade area, existing business practices, applicable laws or regulations, or any other condition relevant to the performance of a franchise or group of franchises. Franchisee is not entitled to the same variation or waiver.

ARTICLE 12. MARKS

12.1 Authorized Marks. Franchisee shall use no trademarks, service marks or logos in connection with the Business other than the Marks. Franchisee shall use all Marks specified by Mobility City Holdings, and only in the manner as Mobility City Holdings may require. Franchisee has no rights in the Marks other than the right to use them in the operation of the Business in compliance with this Agreement. All use of the Marks by Franchisee and any goodwill associated with the Marks, including any goodwill arising due to Franchisee's operation of the Business, will inure to the exclusive benefit of Mobility City Holdings.

12.2 Change of Marks. Mobility City Holdings may add, modify, or discontinue any Marks to be used under the System. Within a reasonable time after Mobility City Holdings makes any such change (not to exceed 45 days), Franchisee must comply with the change, at Franchisee's expense.

12.3 Infringement.

(a) Defense of Franchisee. If Franchisee has used the Marks in accordance with this Agreement, then (i) Mobility City Holdings shall defend Franchisee (at Mobility City Holdings' expense) against any Action by a third-party alleging infringement by Franchisee's use of a Mark, and (ii) Mobility City Holdings will indemnify Franchisee for expenses and damages if the Action is resolved unfavorably to Franchisee.

(b) Infringement by Third Party. Franchisee shall promptly notify Mobility City Holdings if Franchisee becomes aware of any possible infringement of a Mark by a third party. Mobility City Holdings may, in its sole discretion, commence or join any claim against the infringing party.

(c) Control. Mobility City Holdings shall have the exclusive right to control any prosecution or defense of any Action related to possible infringement of or by the Marks.

12.4 Name. If Franchisee is an entity, it shall not use the words "Mobility City" or any confusingly similar words in its legal name.

ARTICLE 13. COVENANTS

13.1 Confidential Information. With respect to all Confidential Information, Franchisee shall (a) adhere to all procedures prescribed by Mobility City Holdings for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Business, (c) not use any such information in any other business or in any manner not specifically authorized in writing by Mobility City Holdings, (d) exercise the highest

degree of diligence and effort to maintain the confidentiality of all such information during and after the term of this Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Franchisee acknowledges that all Confidential Information is owned by Mobility City Holdings (except for Confidential Information which Mobility City Holdings licenses from another person or entity). This Section will survive the termination or expiration of this Agreement indefinitely.

13.2 Covenants Not to Compete.

(a) Restriction – In Term. During the term of this Agreement, neither Franchisee, any Owner, nor any spouse or other immediate family member of an Owner (the “Restricted Parties”) shall act as, directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide services to, or be employed by, any Competitor.

(b) Restriction – Post Term. For two years after this Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer), no Restricted Party shall directly or indirectly act as, have any ownership interest in, lend money or provide financial assistance to, provide services to, or be employed by, any Competitor operating in any of Franchisee’s Territory or the territory of any other Mobility City business operating on the date of expiration, termination, or transfer, as applicable.

(c) Interpretation. The parties agree that each of the foregoing covenants is independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any court or arbitrator, then the parties intend that the court or arbitrator modify such restriction to the extent reasonably necessary to protect the legitimate business interests of Mobility City Holdings. Franchisee agrees that the existence of any claim it may have against Mobility City Holdings shall not constitute a defense to the enforcement by Mobility City Holdings of the covenants of this Section. If a Restricted Party fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance.

13.3 Key Employees. If requested by Mobility City Holdings, Franchisee will cause its technicians and other key employees to sign Mobility City Holdings’ then-current form of confidentiality and non-compete agreement (unless prohibited by applicable law).

ARTICLE 14. DEFAULT AND TERMINATION

14.1 Termination by Franchisee. Franchisee may terminate this Agreement only if Mobility City Holdings violates a material provision of this Agreement and fails to cure or to make substantial progress toward curing the violation within 30 days after receiving written notice from Franchisee detailing the alleged default. Termination by Franchisee is effective 10 days after Mobility City Holdings receives written notice of termination.

14.2 Termination by Mobility City Holdings.

(a) Subject to 10-Day Cure Period. Mobility City Holdings may terminate this Agreement if Franchisee does not make any payment to Mobility City Holdings when due, or if Franchisee does not have sufficient funds in its account when Mobility City Holdings attempts an electronic funds withdrawal, and Franchisee fails to cure such non-payment within 10 days after Mobility City Holdings gives notice to Franchisee of such breach.

(b) Subject to 30-Day Cure Period. If Franchisee breaches this Agreement in any manner not described in subsection (a) or (c), and Franchisee fails to cure such breach to Mobility City Holdings' satisfaction within 30 days after Mobility City Holdings gives notice to Franchisee of such breach, then Mobility City Holdings may terminate this Agreement.

(c) Without Cure Period. Mobility City Holdings may terminate this Agreement by giving notice to Franchisee, without opportunity to cure, if any of the following occur:

- (i) Franchisee misrepresented or omitted material facts when applying to be a franchisee, or breaches any representation in this Agreement;
- (ii) Franchisee knowingly submits any false report or knowingly provides any other false information to Mobility City Holdings;
- (iii) a receiver or trustee for the Business or all or substantially all of Franchisee's property is appointed by any court, or Franchisee makes a general assignment for the benefit of Franchisee's creditors, or Franchisee is unable to pay its debts as they become due, or a levy or execution is made against the Business, or an attachment or lien remains on the Business for 30 days unless the attachment or lien is being duly contested in good faith by Franchisee, or a petition in bankruptcy is filed by Franchisee, or such a petition is filed against or consented to by Franchisee and the petition is not dismissed within 45 days, or Franchisee is adjudicated as bankrupt;
- (iv) Franchisee fails to open for business by the date specified on the Summary Page;
- (v) Franchisee loses possession of the Location (unless Franchisee has obtained approval of a new Location from Mobility City Holdings);
- (vi) Franchisee or any Owner commits a material violation of Section 7.2 (compliance with laws) or Section 13.1 (confidentiality), violates Section 13.2 (non-compete) or Article 15 (transfer), or commits any other violation of this Agreement which by its nature cannot be cured;
- (vii) Franchisee abandons or ceases operation of the Business for more than five consecutive days, or Mobility City Holdings reasonably concludes that Franchisee has ceased operation of the Business;
- (viii) Franchisee or any Owner slanders or libels Mobility City Holdings or any of its employees, directors, or officers;

- (ix) Franchise refuses to cooperate with or permit any audit or inspection by Mobility City Holdings or its agents or contractors, or otherwise fails to comply with Section 10.5 or Section 11.2.
- (x) the Business is operated in a manner which, in Mobility City Holdings' reasonable judgment, constitutes a significant danger to the health or safety of any person, and Franchisee fails to cure such danger within 48 hours after becoming aware of the danger (due to notice from Mobility City Holdings or otherwise);
- (xi) Franchisee has received two or more notices of default and Franchisee commits another breach of this Agreement, all in the same 12-month period;
- (xii) Mobility City Holdings (or any affiliate) terminates any other agreement with Franchisee (or any affiliate) due to the breach of such other agreement by Franchisee (or its affiliate);
- (xiii) Franchisee or any Owner charged with, pleads guilty or no-contest to, or is convicted of a felony; or
- (xiv) Franchisee or any Owner is accused by any governmental authority or third party of any act, or Franchisee or any Owner commits any act or series of acts, that in Mobility City Holdings' opinion is reasonably likely to materially and unfavorably affect the Mobility City brand.

14.3 Effect of Termination. Upon termination or expiration of this Agreement, all obligations that by their terms or by reasonable implication survive termination, including those pertaining to non-competition, confidentiality, indemnity, and dispute resolution, will remain in effect, and Franchisee must immediately:

- (i) pay all amounts owed to Mobility City Holdings based on the operation of the Business through the effective date of termination or expiration;
- (ii) return to Mobility City Holdings all copies of the Manual, Confidential Information and any and all other materials provided by Mobility City Holdings to Franchisee or created by a third party for Franchisee relating to the operation of the Business, and all items containing any Marks, copyrights, and other proprietary items (to the extent in the possession or control of Franchisee); and delete all Confidential Information and proprietary materials from electronic devices;
- (iii) notify the telephone, internet, email, electronic network, directory, and listing entities of the termination or expiration of Franchisee's right to use any numbers, addresses, domain names, locators, directories and listings associated with any of the Marks, and authorize their transfer to Mobility City Holdings or any new franchisee as may be directed by Mobility City Holdings, and Franchisee hereby irrevocably appoints Mobility City Holdings, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest;

to execute such directions and authorizations as may be necessary or appropriate to accomplish the foregoing; and

- (iv) cease doing business under any of the Marks.

14.4 Remove Identification. Within 30 days after termination or expiration, Franchisee shall at its own expense “de-identify” the Location so that it no longer contains the Marks, signage, or any trade dress of a Mobility City business, to the reasonable satisfaction of Mobility City Holdings. Franchisee shall comply with any reasonable instructions and procedures of Mobility City Holdings for de-identification. If Franchisee fails to do so within 30 days after this Agreement expires or is terminated, Mobility City Holdings may enter the Location to remove the Marks and de-identify the Location. In this event, Mobility City Holdings will not be charged with trespass nor be accountable or required to pay for any assets removed or altered, or for any damage caused by Mobility City Holdings.

14.5 Liquidated Damages. If Mobility City Holdings terminates this Agreement based upon Franchisee’s default (or if Franchisee purports to terminate this Agreement except as permitted under Section 14.1), then within 10 days thereafter Franchisee shall pay to Mobility City Holdings a lump sum (as liquidated damages and not as a penalty) calculated as follows: (x) the average monthly Royalty Fees (whether based on Adjusted Gross Sales or the minimum Royalty Fee stated in Section 4.3) and Marketing Fund Contributions that Franchisee owed to Mobility City Holdings under this Agreement for the 12-month period preceding the date on which Franchisee ceased operating the Business (disregarding any temporary fee waivers or reductions granted to Franchisee); multiplied by (y) the lesser of (1) 36 or (2) the number of months remaining in the then-current term of this Agreement. If Franchisee had not operated the Business for at least 12 months, then (x) will equal the average monthly Royalty Fees and Marketing Fund Contributions that Franchisee owed to Mobility City Holdings during the period that Franchisee operated the Business. The “average Royalty Fees and Marketing Fund Contributions that Franchisee owed to Mobility City Holdings” shall be based on the obligations stated in Article 4, and shall not be discounted or adjusted due to any deferred or reduced Royalty Fees and Marketing Fund Contributions agreed to by Mobility City Holdings unless this Section 14.5 is specifically amended. Franchisee acknowledges that a precise calculation of the full extent of Mobility City Holdings’ damages under these circumstances is difficult to determine and the method of calculation of such damages as set forth in this Section is reasonable. Franchisee’s payment to Mobility City Holdings under this Section will be in lieu of any direct monetary damages that Mobility City Holdings may incur as a result of Mobility City Holdings’ loss of Royalty Fees and Marketing Fund Contributions that would have been owed to Mobility City Holdings after the date of termination; however, such payment shall be in addition to all damages and other amounts arising under Section 14.3 and Section 14.4, Mobility City Holdings’ right to injunctive relief for enforcement of Article 13, and any attorneys’ fees and other costs and expenses to which Mobility City Holdings is entitled under this Agreement. Except as provided in this Section, Franchisee’s payment of this lump sum shall be in addition to any other right or remedy that Mobility City Holdings may have under this Agreement or otherwise.

14.6 Purchase Option. When this Agreement expires or is terminated, Mobility City Holdings will have the right (but not the obligation) to purchase any or all of the assets related to

the Business at fair market value, and/or to require Franchisee to assign its lease or sublease to Mobility City Holdings. To exercise this option, Mobility City Holdings must notify Franchisee no later than 30 days after this Agreement expires or is terminated. If the parties cannot agree on fair market value within 30 days after the exercise notice, the fair market value will be determined by an independent appraiser reasonably acceptable to both parties. The parties will equally share the cost of the appraisal. Mobility City Holdings' purchase will be of assets only (free and clear of all liens), and it will not include any liabilities of Franchisee. The purchase price for assets will not include any factor or increment for any trademark or other commercial symbol used in the business, nor any goodwill or "going concern" value for the Business. Mobility City Holdings may withdraw its exercise of the purchase option at any time before it pays for the assets. Franchisee will sign a bill of sale for the purchased assets and any other transfer documents reasonably requested by Mobility City Holdings. If Mobility City Holdings exercises the purchase option, Mobility City Holdings may deduct from the purchase price: (a) all amounts due from Franchisee; (b) Franchisee's portion of the cost of any appraisal conducted hereunder; and (c) amounts paid or to be paid by Mobility City Holdings to cure defaults under Franchisee's lease and/or amounts owed by Franchisee to third parties. If any of the assets are subject to a lien, Mobility City Holdings may pay a portion of the purchase price directly to the lienholder to pay off such lien. Mobility City Holdings may withhold 25% of the purchase price for 90 days to ensure that all of Franchisee's taxes and other liabilities are paid. Mobility City Holdings may assign this purchase option to another party.

ARTICLE 15. TRANSFERS

15.1 By Mobility City Holdings. Mobility City Holdings may transfer or assign this Agreement, or any of its rights or obligations under this Agreement, to any person or entity, and Mobility City Holdings may undergo a change in ownership and/or control, without the consent of Franchisee.

15.2 By Franchisee. Franchisee acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee and that Mobility City Holdings entered into this Agreement in reliance on Franchisee's business skill, financial capacity, personal character, experience, and business ability. Accordingly, Franchisee shall not conduct or undergo a Transfer without providing Mobility City Holdings at least 60 days prior notice of the proposed Transfer, and without obtaining Mobility City Holdings' consent. In granting any such consent, Mobility City Holdings may impose conditions, including, without limitation, the following:

- (i) Mobility City Holdings receives a transfer fee equal to \$35,000, plus any broker fees incurred by Mobility City Holdings;
- (ii) the proposed Transferee and its owners have completed Mobility City Holdings' franchise application processes, meet Mobility City Holdings' then-applicable standards for new franchisees, and have been approved by Mobility City Holdings as franchisees;
- (iii) the proposed Transferee is not a Competitor;

- (iv) the proposed Transferee executes Mobility City Holdings' then-current form of franchise agreement and any related documents, which form may contain materially different provisions than this Agreement (provided, however, that the proposed Transferee will not be required to pay an initial franchise fee);
- (v) all owners of the proposed Transferee provide a guaranty in accordance with Section 2.5;
- (vi) Franchisee has paid all monetary obligations to Mobility City Holdings and its affiliates, and to any lessor, vendor, supplier, or lender to the Business, and Franchisee is not otherwise in default or breach of this Agreement or of any other obligation owed to Mobility City Holdings or its affiliates;
- (vii) the proposed Transferee and its owners and employees undergo such training as Mobility City Holdings may require;
- (viii) Franchisee, its Owners, and the Transferee and its owners execute a general release of Mobility City Holdings in a form satisfactory to Mobility City Holdings; and
- (ix) the Business fully complies with all of Mobility City Holdings' most recent System Standards.

15.3 Transfer for Convenience of Ownership. If Franchisee is an individual, Franchisee may Transfer this Agreement to a corporation or limited liability company formed for the convenience of ownership after at least 15 days' notice to Mobility City Holdings, if, prior to the Transfer: (1) the transferee provides the information required by Section 2.3; (2) Franchisee provides copies of the entity's charter documents, by-laws (or operating agreement) and similar documents, if requested by Mobility City Holdings, (3) Franchisee owns all voting securities of the corporation or limited liability company, and (4) Franchisee provides a guaranty in accordance with Section 2.5.

15.4 Transfer upon Death or Incapacity. Upon the death or incapacity of Franchisee (or, if Franchisee is an entity, the Owner with the largest ownership interest in Franchisee), the executor, administrator, or personal representative of that person must Transfer the Business to a third party approved by Mobility City Holdings (or to another person who was an Owner at the time of death or incapacity of the largest Owner) within nine months after death or incapacity. Such transfer must comply with Section 15.2.

15.5 Mobility City Holdings' Right of First Refusal. Before Franchisee (or any Owner) engages in a Transfer (except under Section 15.3, to a co-Owner, or to a spouse, sibling, or child of an Owner), Mobility City Holdings will have a right of first refusal, as set forth in this Section. Franchisee (or its Owners) shall provide to Mobility City Holdings a copy of the terms and conditions of any Transfer. For a period of 30 days from the date of Mobility City Holdings' receipt of such copy, Mobility City Holdings will have the right, exercisable by notice to Franchisee, to purchase the assets subject of the proposed Transfer for the same price and on the same terms and conditions. If Mobility City Holdings does not exercise its right of first refusal,

Franchisee may proceed with the Transfer, subject to the other terms and conditions of this Article.

15.6 No Sublicense. Franchisee has no right to sublicense the Marks or any of Franchisee’s rights under this Agreement.

15.7 No Lien on Agreement. Franchisee shall not grant a security interest in this Agreement to any person or entity. If Franchisee grants an “all assets” security interest to any lender or other secured party, Franchisee shall cause the secured party to expressly exempt this Agreement from the security interest.

ARTICLE 16. INDEMNITY

16.1 Indemnity. Franchisee shall indemnify and defend (with counsel reasonably acceptable to Mobility City Holdings) Mobility City Holdings, its parent entities, subsidiaries and affiliates, and their respective owners, directors, officers, employees, agents, successors and assignees (collectively, “Indemnitees”) against all Losses in any Action by or against Mobility City Holdings and/or any Indemnatee directly or indirectly related to, or alleged to arise out of, the operation of the Business (including any Data Security Event) or any act or omission of Franchisee. Notwithstanding the foregoing, Franchisee shall not be obligated to indemnify an Indemnatee from claims which Franchisee proves arose solely as a result of any Indemnatee’s intentional misconduct or negligence. Any delay or failure by an Indemnatee to notify Franchisee of an Action shall not relieve Franchisee of its indemnity obligation except to the extent (if any) that such delay or failure materially prejudices Franchisee. Franchisee shall not settle an Action without the consent of the Indemnatee. This indemnity will continue in effect after this Agreement ends.

16.2 Assumption. An Indemnatee may elect to assume the defense and/or settlement of any Action subject to this indemnification, and control all aspects of defending the Action, including negotiations and settlement, at Franchisee’s expense. Such an undertaking shall not diminish Franchisee’s obligation to indemnify the Indemnitees.

ARTICLE 17. DISPUTE RESOLUTION

17.1 Jurisdiction and Venue. Any litigation brought by Franchisee against Mobility City Holdings shall be brought exclusively, and any action brought by Mobility City Holdings against Franchisee may be brought, in the federal district court covering the location at which Mobility City Holdings has its principal place of business at the time the action is commenced; provided, however, that if the federal court would not have subject matter jurisdiction had the action been commenced in such court, then, in such event, the action shall (with respect to actions commenced by the Franchisee) and may (with respect to actions commenced by Mobility City Holdings) be brought in the state court within the judicial district in which Mobility City Holdings has its principal place of business at the time the action is commenced. The parties waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

17.2 Damages. In any controversy or claim arising out of or relating to this Agreement, each party waives any right to punitive or other monetary damages not measured by the prevailing

party's actual damages, except damages expressly authorized by federal statute and damages expressly authorized by this Agreement.

17.3 Waiver of Class, Consolidated and Multi-Plaintiff Actions. The parties agree that any litigation, or other proceedings, shall be commenced and conducted on an individual basis only, and not on a multi-plaintiff, consolidated or class-wide basis. The parties expressly waive any ability or right to initiate or assert any such multi-plaintiff, consolidated, or class-wide claims in connection with any litigation or other proceedings.

17.4 Time Limitation. Any legal action arising from or related to this Agreement (including the sale of a franchise to Franchisee) must be instituted within one year from the date of the conduct or event that forms the basis of the legal action. The foregoing time limit does not apply to claims (i) by Mobility City Holdings related to non-payment of Royalty Fees or other amounts owed by Franchisee, (ii) for indemnity under Article 16, or (iii) related to unauthorized use of Confidential Information or the Marks.

17.5 Legal Costs. In any legal proceeding (including arbitration) related to, to enforce, or arising out of this Agreement or any guaranty, the non-prevailing party shall pay the prevailing party's attorney fees, costs and other expenses of the legal proceeding, including those incurred on appeal. "Prevailing party" means the party, if any, which prevailed upon the central litigated issues and obtained substantial relief.

17.6 Governing Law. This Agreement and any dispute, claim or matter arising out of or relating in any way to the Agreement or the relationship between the parties (whether based in contract, tort, statute, or otherwise and regardless of the relief sought) shall be construed and governed under the laws of the State of Florida. In the event of any conflict of law, the laws of Florida shall prevail, without regard to the application of Florida conflict of law rules. If, however, any provision of this Agreement would not be enforceable under the laws of Florida, and if the Business is located outside of Florida and such provision would be enforceable under the laws of the state in which the Business is located, then such provision shall be interpreted and construed under the laws of that state. Nothing in this Article 17 is intended by the parties to subject this Agreement to any franchise or similar law, rule or regulation of the State of Florida to which it would not otherwise be subject.

17.7 Waiver of Jury Trial and Punitive Damages. MOBILITY CITY HOLDINGS AND FRANCHISEE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER. MOBILITY CITY AND FRANCHISEE HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE DAMAGES AGAINST THE OTHER, AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT, UNLESS OTHERWISE PROVIDED FOR IN THIS AGREEMENT.

17.8 Franchisee May Seek Relief Only from Mobility City Holdings. The sole entity against which Franchisee may file a lawsuit, bring any other proceedings, seek damages or any other remedy under law or equity for any claim related to or arising out of this Agreement is

Mobility City Holdings or its successor or assigns. The owners, officers, partners, shareholders, directors, employees and agents of Mobility City Holdings shall not be liable or named as a party in any legal action commenced by Franchisee or its Owners. If Franchisee names a party in any litigation or proceeding arising out of or relating to this Agreement other than Mobility City Holdings, then Franchisee must correct its complaint or claim and will be responsible for all expenses incurred by the other party or the improperly named persons or entities, as a result of the violation, including attorneys' fees, and will be liable for abuse of process.

ARTICLE 18. MISCELLANEOUS

18.1 Relationship of the Parties. The parties are independent contractors, and neither is the agent, partner, joint venturer, or employee of the other. Mobility City Holdings is not a fiduciary of Franchisee. Mobility City Holdings does not control or have the right to control Franchisee or its Business. Any required specifications and standards in this Agreement and in the System Standards exist to protect Mobility City Holdings' interest in the System and the Marks, and the goodwill established in them, and not for the purpose of establishing any control, or duty to take control, over the Business. Mobility City Holdings has no liability for Franchisee's obligations to any third party whatsoever.

18.2 No Third-Party Beneficiaries. Except as stated in Article 16, this Agreement does not confer any rights or remedies upon any person or entity other than Franchisee, Mobility City Holdings, and Mobility City Holdings' affiliates.

18.3 Entire Agreement. This Agreement constitutes the entire agreement of the parties and supersedes all prior negotiations and representations. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made by Mobility City Holdings in its franchise disclosure document.

18.4 Modification. No modification or amendment of this Agreement will be effective unless it is in writing and signed by both parties. This provision does not limit Mobility City Holdings' rights to modify the Manual or System Standards.

18.5 Consent; Waiver. No consent under this Agreement, and no waiver of satisfaction of a condition or nonperformance of an obligation under this Agreement will be effective unless it is in writing and signed by the party granting the consent or waiver. No waiver by a party of any right will affect the party's rights as to any subsequent exercise of that right or any other right. No delay, forbearance, or omission by a party to exercise any right will constitute a waiver of such right.

18.6 Cumulative Remedies. Rights and remedies under this Agreement are cumulative. No enforcement of a right or remedy precludes the enforcement of any other right or remedy.

18.7 Severability. The parties intend that (i) if any provision of this Agreement is held by an arbitrator or court to be unenforceable, then that provision be modified to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded, and (ii) if an unenforceable provision is modified or disregarded, then the rest of this Agreement will remain in effect as written.

18.8 Franchisee’s Release. To the fullest extent permitted by applicable law, Franchisee, for itself and on behalf of its affiliates, and their respective shareholders, directors, officers, limited liability company members, managers and employees, and their respective successors and assigns, and on behalf of Franchisee’s Owners, hereby (i) releases and forever discharges Mobility City Holdings and its affiliates, and their respective directors, officers, employees, agents, representatives and attorneys, and their respective successors and assigns, from any and all claims, demands and causes of action, whether known or unknown, of any kind or nature, absolute or contingent, if any at law or in equity, arising prior to or on the date Franchisee signs this Agreement; and (ii) agrees that none of them will institute any litigation or other legal action or proceeding, at law or in equity, against Mobility City Holdings or its affiliates and their directors, offices, employees, agents, representatives and attorneys, and their respective successors and assigns, directly or indirectly, relating to any claim or demand released under this Section 18.8. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require Franchisee to waive reliance on any representation Mobility City Holdings made in its Franchise Disclosure Document.

18.9 Notices. Any notice will be effective under this Agreement only if made in writing and delivered as set forth in this Section to: (A) if to Franchisee, addressed to Franchisee at the notice address set forth in the Summary Page; and (B) if to Mobility City Holdings, addressed to 1200 Yamato Road, Suite A9, Boca Raton, FL 33421. Any party may designate a new address for notices by giving notice of the new address pursuant to this Section. Notices will be effective upon receipt (or first rejection) and must be: (1) delivered personally; (2) sent by registered or certified U.S. mail with return receipt requested; or (3) sent via overnight courier. Notwithstanding the foregoing, Mobility City Holdings may amend the Manual, give binding notice of changes to System Standards, and deliver notices of default by electronic mail or other electronic communication.

18.10 Holdover. If Franchisee continues operating the Business after the expiration of the term without a renewal agreement or successor franchise agreement executed by the parties in accordance with Section 3.2, then at any time (regardless of any course of dealing by the parties), Mobility City Holdings may by giving written notice to Franchisee (the “Holdover Notice”) either (i) require Franchisee to cease operating the Business and comply with all post-closing obligations effective immediately upon giving notice or effective on such other date as Mobility City Holdings specifies, or (ii) bind Franchisee to a renewal term of 5 years and deem Franchisee and its Owners to have made the general release of liability described in Section 3.2(v).

18.11 Joint and Several Liability. If two or more people sign this Agreement as “Franchisee”, each will have joint and several liability.

18.12 No Offer and Acceptance. Delivery of a draft of this Agreement to Franchisee by Mobility City Holdings does not constitute an offer. This Agreement shall not be effective unless and until it is executed by both Franchisee and Mobility City Holdings.

[Signatures on next page]

Agreed to by:

FRANCHISOR:

MOBILITY CITY HOLDINGS, INC.

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE:

[if an individual:]

Name: _____

Date: _____

[if an entity:]

By: _____

Name: _____

Title: _____

Date: _____

(Check if applicable) At the same time as the parties execute this Agreement, they are also executing a Rider to Franchise Agreement pursuant to:

- _____ Illinois
- _____ Indiana
- _____ Maryland
- _____ Minnesota
- _____ New York
- _____ North Dakota
- _____ Ohio
- _____ Rhode Island
- _____ Washington

Attachment 1 to Franchise Agreement

OWNERSHIP INFORMATION

1. Form of Ownership. Franchisee is a (check one):

- _____ *Sole Proprietorship*
- _____ *Partnership*
- _____ *Limited Liability Company*
- _____ *Corporation*

State: _____

2. Owners. If Franchisee is a partnership, limited liability company or corporation:

Name	Shares or Percentage of Ownership

3. Officers. If Franchisee is a limited liability company or corporation:

Name	Title

Attachment 2 to Franchise Agreement

GUARANTY AND NON-COMPETE AGREEMENT

This Guaranty and Non-Compete Agreement (this “Guaranty”) is executed by the undersigned person(s) (each, a “Guarantor”) in favor of Mobility City Holdings, Inc., a Florida corporation (“Mobility City Holdings”).

Background Statement: _____ (“Franchisee”) desires to enter into a Franchise Agreement with Mobility City Holdings for the franchise of a Mobility City business (the “Franchise Agreement”; capitalized terms used but not defined in this Guaranty have the meanings given in the Franchise Agreement). Guarantor owns an equity interest in Franchisee. Guarantor is executing this Guaranty in order to induce Mobility City Holdings to enter into the Franchise Agreement.

Guarantor agrees as follows:

1. Guaranty. Guarantor hereby unconditionally guarantees to Mobility City Holdings and its successors and assigns that Franchisee shall pay and perform every undertaking, agreement and covenant set forth in the Franchise Agreement and further guarantees every other liability and obligation of Franchisee to Mobility City Holdings, whether or not contained in the Franchise Agreement. Guarantor shall render any payment or performance required under the Franchise Agreement or any other agreement between Franchisee and Mobility City Holdings upon demand from Mobility City Holdings. Guarantor waives (a) acceptance and notice of acceptance by Mobility City Holdings of this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations of Franchisee; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right Guarantor may have to require that an action be brought against Franchisee or any other person or entity as a condition of liability hereunder; (e) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the execution of and performance under this Guaranty by the undersigned; (f) any law which requires that Mobility City Holdings make demand upon, assert claims against or collect from Franchisee or any other person or entity (including any other guarantor), foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any other person or entity (including any other guarantor) prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guaranty; and (g) any and all other notices and legal or equitable defenses to which Guarantor may be entitled.

2. Confidential Information. With respect to all Confidential Information, Guarantor shall (a) adhere to all security procedures prescribed by Mobility City Holdings for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Business; (c) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Mobility City Holdings, (d) exercise the highest degree of diligence and make every effort to maintain the confidentiality of all such information during and after the term of the Franchise Agreement, (e) not copy or

otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Guarantor acknowledges that all Confidential Information is owned by Mobility City Holdings or its affiliates (except for Confidential Information which Mobility City Holdings licenses from another person or entity). Guarantor acknowledges that all customer data generated or obtained by Guarantor is Confidential Information belonging to Mobility City Holdings. This Section will survive the termination or expiration of the Franchise Agreement indefinitely.

3. Covenants Not to Compete.

(a) Restriction - In Term. During the term of the Franchise Agreement, Guarantor shall not directly or indirectly act as, have any ownership interest in, lend money or provide financial assistance to, provide services to, or be employed by, any Competitor.

(b) Restriction – Post Term. For two years after the Franchise Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer by Guarantor), Guarantor shall not directly or indirectly act as, have any ownership interest in, lend money or provide financial assistance to, provide services to, or be employed by, any Competitor operating in any of Franchisee’s Territory or the territory of any other Mobility City business operating on the date of expiration, termination, or transfer, as applicable.

(c) Interpretation. Guarantor agrees that each of the foregoing covenants is independent of any other covenant or provision of this Guaranty or the Franchise Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any court or arbitrator, then the parties intend that the court or arbitrator modify such restriction to the extent reasonably necessary to protect the legitimate business interests of Mobility City Holdings. Guarantor agrees that the existence of any claim it or Franchisee may have against Mobility City Holdings shall not constitute a defense to the enforcement by Mobility City Holdings of the covenants of this Section. If Guarantor fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance.

4. Modification. Guarantor agrees that Guarantor’s liability hereunder shall not be diminished, relieved or otherwise affected by (a) any amendment of the Franchise Agreement, (b) any extension of time, credit or other indulgence which Mobility City Holdings may from time-to-time grant to Franchisee or to any other person or entity, or (c) the acceptance of any partial payment or performance or the compromise or release of any claims.

5. Dispute Resolution. The provisions of Article 17 (Dispute Resolution) of the Franchise Agreement apply to and are incorporated into this Guaranty as if fully set forth herein. Guarantor shall pay to Mobility City Holdings all costs incurred by Mobility City Holdings (including reasonable attorney fees) in enforcing this Guaranty. If multiple Guarantors sign this Guaranty, each will have joint and several liability.

Agreed to by:

Name: _____

Address: _____

Date: _____

Name: _____

Address: _____

Date: _____

Name: _____

Address: _____

Date: _____

Attachment 3 to Franchise Agreement

VAN DEPLOYMENT SCHEDULE

Franchisee shall deploy and operate Mobility City vans in the Territory on the following schedule:

Van #	Deadline to Begin Operations
#1	Four weeks after completing training (Section 6.6(b))
#2	180 days from the Showroom Opening (Section 6.6(b))

Attachment 4 to Franchise Agreement

CONDITIONAL ASSIGNMENT OF BRAND ACCOUNTS

This Assignment of Brand Accounts (this “Assignment”) is executed by the undersigned (“Franchisee”) in favor of Mobility City Holdings, Inc., a Florida corporation (“Mobility City Holdings”).

Background Statement: Mobility City Holdings and Franchisee are parties to a Franchise Agreement pursuant to which Mobility City Holdings granted Franchisee a license to operate a Mobility City franchised business (the “Business”). Mobility City Holdings or its affiliates are the sole owner of the Mobility City brand and all names, logos, trademarks, service marks, and other intellectual property associated therewith. To protect Mobility City Holdings’ interest in and control of Mobility City, Franchisee acknowledges and agrees that SD Franchise has the right to control all telephone numbers, directory listings, and internet marketing accounts related to Mobility City.

Franchisee agrees as follows:

- 1. Conditional Assignment.** Franchisee hereby assigns to Mobility City Holdings (or its designee) all of Franchisee’s rights, title, and interest in and to all telephone numbers, directory listings, email accounts, websites, social media accounts, and all other accounts and profiles for advertising and marketing on the internet or any electronic communications network (“Brand Accounts”) associated with Mobility City and registered by Franchisee from time to time in connection with the operation of Franchisee’s Business, such assignment to be effective upon (a) termination or expiration of the Franchise Agreement, or (b) notice from Mobility City Holdings to Franchisee, at which Mobility City Holdings will have the right to assume ownership of any one or all Brand Accounts.
- 2. Transfer or Deletion.** Franchisee hereby authorizes the service provider of each Brand Account (the “Provider”) to transfer the Brand Account to Mobility City Holdings (or its designee) or to delete the Brand Account upon the written instruction of Mobility City Holdings. Franchisee hereby grants Mobility City Holdings an irrevocable limited power of attorney on behalf of Franchisee to direct any Provider to transfer or delete a Brand Account. In such an event, Franchisee will have no further right, title or interest in the Brand Account but will remain liable to the Provider for all past due fees owing to the Provider on or before the date on which the assignment is effective. Mobility City Holdings will have no liability or obligation of any kind to a Provider arising prior the effective date of transfer or deletion. Franchisee agrees to take all reasonable steps necessary to effectuate the transfer or deletion (as determined by Mobility City Holdings) of each Brand Account.

[Signatures on next page]

Executed by:

FRANCHISEE:

[if an individual:]

Name: _____

Date: _____

[if an entity:]

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT C

FORM OF RIDER FOR MULTIPLE SHOWROOMS

This Rider (this “Rider”) amends the Franchise Agreement executed simultaneously herewith between Mobility City Holdings, Inc., a Florida corporation (“Mobility City Holdings”) and _____, a _____ (“Franchisee”).

1. Additional Location[s].

(a) Franchisee will open a second showroom Location in the Territory (“Location #2”), in accordance with Sections 6.1, 6.2, 6.3 and 6.5 of the Franchise Agreement. Franchisee will open Location #2 no later than [_____] after opening Location #1, and thereafter will operate both Locations until the expiration of this Agreement (including any renewal or successor terms). *[[If applicable:] Location #2 will be satellite location, meaning that it is expected to be smaller (at least 1500 square feet) compared to a standard location.]*

(b) Franchisee will have separate employees for each Location so that each Location separately complies with Section 7.5(b).

(c) The parties acknowledge that the Territory is significantly larger than a standard territory for a Mobility City business, and that in lieu of executing multiple franchise agreements for multiple territories and locations, the parties have mutually agreed to execute a single franchise agreement with multiple locations.

2. **Van and Showroom Schedule.** Franchisee shall deploy and operate Mobility City vans in the Territory on the following schedule:

Location #1

Van #	Deadline to Begin Operations
#1	Four weeks after completing training (Section 6.6(a))
#2	180 days from the Showroom Opening (Section 6.6(b))

Location #2

Van #	Deadline to Begin Operations
#1	
#2	

3. **Effect.** The terms of this Rider supersede any conflicting terms of the Franchise Agreement.

Agreed to by:

FRANCHISOR:

MOBILITY CITY HOLDINGS, INC.

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE:

[if an individual:]

Name: _____

Date: _____

[if an entity:]

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT D

FORM OF GENERAL RELEASE

[This is our current standard form of General Release. This document is not signed when you purchase a franchise. In circumstances such as a renewal of your franchise or as a condition of our approval of a sale of your franchise, we may require you to sign a general release.]

This General Release (“Release”) is executed by the undersigned (“Releasor”) in favor of Mobility City Holdings, Inc., a Florida corporation (“Mobility City Holdings”).

Background Statement: *[describe circumstances of Release]*

Releasor agrees as follows:

- 1. Release.** Releasor (on behalf of itself and its parents, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, managers, members, partners, agents, and employees (collectively, the “Releasing Parties”)) hereby releases Mobility City Holdings, its affiliates, and their respective directors, officers, shareholders, employees, franchise sellers, and agents (collectively, the “Released Parties”) from any and all claims, causes of action, suits, debts, agreements, promises, demands, liabilities, contractual rights and/or obligations, of whatever nature, known or unknown, which any Releasing Party now has or ever had against any Released Party based upon and/or arising out of events that occurred through the date hereof, including without limitation, anything arising out of the Franchise Agreement (collectively, “Claims”).
- 2. Covenant Not to Sue.** Releasor (on behalf of all Releasing Parties) covenants not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any Released Party with respect to any Claim.
- 3. Representations and Acknowledgments.** Releasor represents and warrants that: (i) Releasor is the sole owner of all Claims, and that no Releasing Party has assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim; (ii) Releasor has full power and authority to sign this Release; and (iii) this Release has been voluntarily and knowingly signed after Releasor has had the opportunity to consult with counsel of Releasor’s choice. Releasor acknowledges that the release in Section 1 is a complete defense to any Claim.
- 4. Miscellaneous.** If any of the provisions of this Release are held invalid for any reason, the remainder of this Release will not be affected and will remain in full force and effect. In the event of any dispute concerning this Release, the dispute resolution, governing law, and venue provisions of the Franchise Agreement shall apply. Releasor agrees to take any actions and sign any documents that Mobility City Holdings reasonably requests to effectuate the purposes of this Release. This Release contains the entire agreement of the parties concerning the subject matter hereof.

5. State Addenda.

[Maryland Residents]: This Release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

[Washington Residents]: A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the franchise agreement is in effect and where the parties are represented by independent counsel.

Agreed to by:

Name: _____

Date: _____

EXHIBIT E
FINANCIAL STATEMENTS

MICHAEL S. WEINSTEIN, CPA, P.A.
Certified Public Accountant

221 Commercial Boulevard, Suite 203
Lauderdale By The Sea, Florida 33308
Office: 954-563-5400 Cellular: 954-410-3000 E-Mail: mweinsteincpa@aol.com

REPORT OF INDEPENDENT AUDITORS

To the Shareholder of
Mobility City Holdings, Inc.:

We have audited the accompanying financial statements of Mobility City Holdings, Inc., which comprise the balance sheets as of December 31, 2022, 2021, and 2020 and the related statements of operations, changes in shareholder's deficit, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mobility City Holdings, Inc. as of December 31, 2022, 2021, and 2020 and the results of its operations and 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. 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 Mobility City Holdings, 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 Mobility City Holdings, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

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

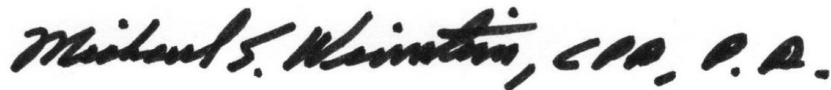
Member of the American Institute of Certified Public Accountants and Florida Institute of Certified Public Accountants

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 aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement and maintained professional skepticism throughout the audit.
- Identify and assess risk 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 Mobility City Holdings, 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 evaluating the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mobility City Holdings, 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 audits, significant audit findings, and certain internal control related matters that we identified during the audits.

A handwritten signature in black ink that reads "Michael S. Weinstein, CPA, P.A." The signature is written in a cursive, flowing style.

Michael S. Weinstein, CPA, P.A.

January 26, 2023

MOBILITY CITY HOLDINGS, INC.
BALANCE SHEETS
DECEMBER 31, 2022, 2021, and 2020

	2022	2021	2020
ASSETS			
Current Assets:			
Cash	\$ 266,162	\$ 591,565	\$ 335,046
Receivables	69,643	38,992	28,314
Inventory	29,700	29,700	13,491
Prepaid commissions	67,850	80,175	243,038
Deferred commissions, current portion	41,921	26,267	277,178
Other assets	<u>13,316</u>	<u>13,316</u>	<u>13,316</u>
Total current assets	488,592	780,015	910,383
Property and equipment, net	80,713	82,881	91,880
Intangible assets, net	31,610	39,208	88,574
Operating lease right-of-use asset	241,203	-	-
Deferred commissions	<u>323,287</u>	<u>212,831</u>	<u>44,307</u>
Total assets	<u>\$ 1,165,405</u>	<u>\$ 1,114,935</u>	<u>\$ 1,135,144</u>
LIABILITIES AND SHAREHOLDER'S DEFICIT			
Current Liabilities:			
Accounts payable and accrued expenses	\$ 39,022	\$ 53,208	\$ 104,419
Franchise fee deposits	335,500	546,313	794,250
Note and loans payable, current portion	15,689	5,733	265,199
Operating lease liability, current portion	75,474	-	-
Deferred franchise fee revenue, current portion	<u>149,505</u>	<u>89,737</u>	<u>668,003</u>
Total current liabilities	615,190	694,991	1,831,871
Note and loans payable	737,773	475,302	-
Operating lease liability	165,729	-	-
Deferred franchise fee revenue	<u>1,321,857</u>	<u>727,732</u>	<u>128,713</u>
Total liabilities	2,840,549	1,898,025	1,960,584
Shareholder's Deficit	<u>(1,675,144)</u>	<u>(783,090)</u>	<u>(825,440)</u>
Total liabilities and shareholder's deficit	<u>\$ 1,165,405</u>	<u>\$ 1,114,935</u>	<u>\$ 1,135,144</u>

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

MOBILITY CITY HOLDINGS, INC.
STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2022, 2021 and 2020

	<u>2022</u>	<u>2021</u>	<u>2020</u>
REVENUES:			
Franchise fees	\$ 527,607	\$ 1,647,537	\$ 362,084
Royalty fees	620,722	462,686	221,663
Other	<u>45,916</u>	<u>10,721</u>	<u>32,772</u>
Total revenues	1,194,245	2,120,944	616,519
OPERATING EXPENSES:			
Commissions	140,993	466,802	131,463
Salaries and related taxes	473,168	308,076	260,924
Professional fees	427,197	253,871	101,461
Franchise costs	263,033	150,162	176,992
Rent	64,606	77,046	32,382
Travel and meetings	8,046	57,649	-
Automobile	34,788	28,117	36,842
Insurance	23,957	26,956	35,785
Advertising	113,401	24,799	40,551
Dues and subscriptions	18,127	21,457	4,322
Office supplies	13,484	17,205	11,518
Repairs and maintenance	14,106	16,810	14,795
Depreciation and amortization	15,766	16,597	14,433
Computer	14,932	9,170	13,867
Utilities	4,043	5,409	12,015
Other	<u>7,259</u>	<u>3,894</u>	<u>7,737</u>
Total operating expenses	<u>1,636,906</u>	<u>1,484,020</u>	<u>895,087</u>
Operating income (loss)	(442,661)	636,924	(278,568)
OTHER INCOME (EXPENSE):			
Forgiveness of loans	-	68,482	-
Interest income	3,002	1,659	790
Litigation settlement	-	(142,500)	-
Loss on disposal of assets	-	(59,040)	(10,702)
Interest expense	<u>(2,395)</u>	<u>(3,175)</u>	<u>(13,205)</u>
Total other income (expense), net	<u>607</u>	<u>(134,574)</u>	<u>(23,117)</u>
Net income (loss)	<u>\$ (442,054)</u>	<u>\$ 502,350</u>	<u>\$ (301,685)</u>

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

MOBILITY CITY HOLDINGS, INC.
STATEMENTS OF CHANGES IN SHAREHOLDER'S DEFICIT
YEARS ENDED DECEMBER 31, 2022, 2021 and 2020

	Common Stock, 100 shares authorized, issued and outstanding at \$1 par value	Retained Earnings (Deficit)	Total
	<u> </u>	<u> </u>	<u> </u>
Balance at December 31, 2019	\$ 100	\$ (523,855)	\$ (523,755)
Net loss	<u> -</u>	<u> (301,685)</u>	<u> (301,685)</u>
Balance at December 31, 2020	100	(825,540)	(825,440)
Net income	-	502,350	502,350
Shareholder distributions	<u> -</u>	<u> (460,000)</u>	<u> (460,000)</u>
Balance at December 31, 2021	100	(783,190)	(783,090)
Net loss	-	(442,054)	(442,054)
Shareholder distributions	<u> -</u>	<u> (450,000)</u>	<u> (450,000)</u>
Balance at December 31, 2022	<u>\$ 100</u>	<u>\$ (1,675,244)</u>	<u>\$ (1,675,144)</u>

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

MOBILITY CITY HOLDINGS, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022, 2021 and 2020

	<u>2022</u>	<u>2021</u>	<u>2020</u>
CASH PROVIDED BY OPERATING ACTIVITIES:			
Net income (loss)	\$ (442,054)	\$ 502,350	\$ (301,685)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	15,766	16,597	14,433
Loss on disposal of assets	-	59,040	10,702
Forgiveness of loans	-	(68,482)	-
Changes in operating assets and liabilities:			
Increase in receivables	(30,651)	(10,678)	(20,057)
Increase in inventory	-	(16,209)	-
Decrease (increase) in prepaid commissions	12,325	162,863	(130,538)
Decrease (increase) in deferred commissions	(126,110)	82,387	(44,628)
Decrease (increase) in other assets	-	-	(13,316)
Increase (decrease) in accounts payable and accrued expenses	(14,186)	(51,354)	21,365
Increase (decrease) in franchise fee deposits	(210,813)	(247,938)	586,750
Increase in deferred franchise fee revenue	<u>653,893</u>	<u>20,753</u>	<u>161,458</u>
Net cash provided by (used in) operating activities	<u>(141,830)</u>	<u>449,329</u>	<u>284,484</u>
CASH USED IN INVESTING ACTIVITIES:			
Purchase of property and equipment	(6,000)	-	(89,464)
Purchase of intangible assets	<u>-</u>	<u>(17,128)</u>	<u>-</u>
Net cash used in investing activities	<u>(6,000)</u>	<u>(17,128)</u>	<u>(89,464)</u>
CASH USED IN FINANCING ACTIVITIES:			
Proceeds from note and loans payable	273,700	374,582	174,935
Repayment of note and loans payable	(1,273)	(90,264)	(11,022)
Repayment of shareholder loans	-	-	(35,414)
Shareholder distributions	<u>(450,000)</u>	<u>(460,000)</u>	<u>-</u>
Net cash provided by (used in) investing activities	<u>(177,573)</u>	<u>(175,682)</u>	<u>128,499</u>
Net increase (decrease) in cash	(325,403)	256,519	323,519
Cash, beginning of year	<u>591,565</u>	<u>335,046</u>	<u>11,527</u>
Cash, end of year	<u>\$ 266,162</u>	<u>\$ 591,565</u>	<u>\$ 335,046</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid for interest	<u>\$ 2,395</u>	<u>\$ 3,175</u>	<u>\$ 13,205</u>
Non-cash recording of operating lease right-of-use asset and operating lease liability as a result of the adoption of Topic 842	<u>\$ 319,699</u>	<u>\$ -</u>	<u>\$ -</u>

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

MOBILITY CITY HOLDINGS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021 and 2020

1. NATURE OF BUSINESS

Mobility City Holdings, Inc. (“the Company” or “Mobility City”) is a S Corporation that was incorporated in the State of Florida on March 9, 2017. The Company is located in Boca Raton, Florida and offers franchise opportunities to entrepreneurs throughout the United States of America who want to own and operate their own Mobility City operation, as a franchisee. The Mobility City concept allows a franchisee to provide mobile repairs, rentals, sales, and sanitization of mobility equipment including wheelchairs, power chairs, mobility scooters, lift out chairs, hospital beds, and other mobility products. The Company has 29 active franchise locations as of December 31, 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Company’s significant accounting policies are summarized as follows:

Cash

The Company considers short-term highly liquid investments with an original maturity of three months or less at the date of purchase to be cash equivalents. There were no cash equivalents at December 31, 2022, 2021 and 2020.

Receivables and Allowance for Doubtful Accounts

Receivable are carried at their estimated collectible amounts and consist of royalty amounts owed from franchisees in accordance with the terms of the franchise agreement. Whenever management believes it is probable that it will be unable to collect the amount due, the amount is charged-off. There were no receivable amounts as of December 31, 2022, 2021 and 2020 that were considered uncollectible.

Inventory

Inventory consists of mobility equipment training products and is stated at lower of cost or market.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation and amortization. Depreciation is computed using straight line and accelerated methods over the estimated useful lives of the assets, which are 5 to 15 years. Maintenance and repairs are charged to expense as incurred. The costs and related accumulated depreciation and amortization of property and equipment sold or disposed of are removed from the accounts and any gain or loss is reflected in the Company’s results of operations.

Intangible Assets

Intangible assets include franchise development costs, website costs, domain names, and trademarks and are stated at cost less accumulated amortization. Amortization is computed using the straight line method over the estimated useful lives of the assets, which range from zero to 10 years. The cost and related amortization of intangible assets disposed of are removed from the accounts and any gain or loss is reflected in the Company’s results of operations.

MOBILITY CITY HOLDINGS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021 and 2020

Operating Lease Right-of-Use Asset and Liability

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-02, “Leases (Topic 842)”. Under the new standard, lessees are required to recognize the following for all leases with a term of twelve months or greater at the commencement date: (a) a lease liability, which is a lessee’s obligation to make lease payments arising from a lease, measured on a discounted basis; and (b) a right-of-use asset, representing the lessee’s right to use, or control the use of, a specified asset for the lease term. Leases are classified as either operating or finance leases (formerly referred to as capital leases). Recognition, measurement, and presentation of expenses and cash flows arising from a lease are determined by a lease’s classification. The Company adopted Topic 842 on January 1, 2022 using the modified retrospective transition approach and elected a package of practical expedients which, among other provisions, allowed the Company to carry forward the historical lease classification relating to its existing lease.

Impairment of Long-Lived Assets

The carrying values of property and equipment, intangible assets, and operating lease right-of-use assets are reviewed periodically for potential impairment to determine if events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. The determination of recoverability is made based upon the estimated undiscounted future cash flows of the related asset. No impairments exist at December 31, 2022, 2021 and 2020.

Revenue Recognition

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-09, “Revenue from Contracts with Customers (Topic 606)”. Topic 606 supersedes existing revenue recognition guidance, including industry specific guidance and replaces it with a new five-step recognition model. Revenue is recognized when control of the promised goods or services is transferred to customers at an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services transferred by the Company. The Company adopted Topic 606 on January 1, 2019 using the modified respective method, under which prior periods were not revised to reflect the impact of the new standard and the Company recorded a cumulative-effect adjustment of \$58,198 to retained earnings for franchise fee revenue and commission expense. In addition, specifically for franchisors, The FASB issued ASU 2021-02, “Franchisors-Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient” in January 2021 which provides franchisors the election to adopt a new practical expedient that permits private company franchisors to account for preopening services provided to a franchisee as distinct from the franchise license if the services are consistent with those included in a predefined list within the guidance. The Company has elected to adopt this new standard.

Franchise Agreement and Revenues

The Company executes franchise agreements that set the terms of its arrangements with each respective franchisee. Under the franchise agreements, among other things, the Company provides franchises with 1) a franchise rights, which includes a license to use the Company’s intellectual property, 2) pre-opening services; such as training, opening assistance, operating manual, and initial marketing, and 3) on going services such as post opening training and assistance, which are not considered significant. Franchise revenues consists of initial franchise fees (which typically range from \$47,500 to \$150,000 and are subject to change), additional franchise territory purchase fees, and royalty fees from franchisees. The Company has concluded

MOBILITY CITY HOLDINGS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021 and 2020

that there are two performance obligations as the pre-opening services are distinct from the franchise rights and recognizes a portion of the franchise fee upon the opening of a franchise location and the remaining amount related to the franchise rights over the term of the franchise agreement which is ten years. Deferred franchise fee revenue totaled \$1,471,362, \$817,469, and \$796,716, respectively, as of December 31, 2022, 2021 and 2020. Royalty fees are set at 7% of each individual franchisee's monthly gross sales and are recognized when earned in accordance with the franchise agreement. The Franchisees' also contribute 1% of each individual franchisee's monthly gross sales to a marketing fund, and are obligated to pay monthly technology and software fees. During 2021, the Company and certain franchisees agreed to terminate their franchise agreement which resulted in termination fees totaling approximately \$290,000 which is included in franchise fee revenue in the accompanying statements of operations for the year ended December 31, 2021. In addition, as a result of the terminations, the related existing deferred franchise fee revenue balances were recognized as revenue during 2021.

Commissions

The Company uses a network of franchise brokers which currently charge fees that approximate 30% of the initial franchise fee. Commission fees are capitalized and deferred in accordance with Topic 606 and amortized to expense over the period that the related costs are expected to be recovered. Deferred commissions totaled \$365,208, \$239,098, and \$321,485, respectively as of December 31, 2022, 2021 and 2020. During 2021, the Company and certain franchisees agreed to terminate their franchise agreement which resulted in the related deferred commission balances being recognized as an expense during 2021.

Fair Value of Financial Instruments

The Company's financial instruments consist of cash, receivables, prepaid commissions, and accounts payable and accrued expenses. The recorded values approximate their fair values based upon their short-term nature.

Concentrations of Credit Risk

Financial instruments, which potentially subject the Company to credit risk, consist principally of cash and receivables. The Company maintains all its cash funds in U.S. bank accounts insured up to \$250,000 by the Federal Deposit Insurance Corporation ("FDIC"). From time to time, the Company may have amounts on deposit in excess of the FDIC limits. Credit risk associated with receivables is limited to the amount due from each franchisee for monthly royalty fee payments and is not considered significant.

Advertising

The Company expenses franchisor advertising costs as incurred. Advertising expense was approximately \$113,500, \$25,000, and \$40,500, respectively, for the years ended December 31, 2022, 2021 and 2020.

Use of Estimates

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

MOBILITY CITY HOLDINGS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021 and 2020

Income Taxes

The Company is a S Corporation for federal and state tax purposes. As such, the Company does not pay any federal or state income taxes, as any income or loss will be included in the tax returns of the shareholder. Accordingly, no provision is made for federal or state income taxes in the accompanying financial statements.

3. PROPERTY AND EQUIPMENT

Property and equipment, net consists of the following at December 31, 2022, 2021 and 2020:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Leasehold improvements	\$ 87,036	\$ 87,036	\$ 87,036
Vehicle	14,900	14,900	14,900
Furniture and equipment	<u>17,901</u>	<u>11,901</u>	<u>11,901</u>
	119,837	113,837	113,837
Less accumulated depreciation and amortization	<u>(39,124)</u>	<u>(30,956)</u>	<u>(21,957)</u>
	<u>\$ 80,713</u>	<u>\$ 82,881</u>	<u>\$ 91,880</u>

Depreciation and amortization expense related to property and equipment was \$8,168, \$8,999, and \$7,127, respectively, for the years ended December 31, 2022, 2021 and 2020.

4. INTANGIBLE ASSETS

Intangible assets, net consists of the following at December 31, 2022, 2021 and 2020:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Franchise development	\$ 35,785	\$ 35,785	\$ 109,585
Website	15,000	15,000	-
Domain name	2,128	2,128	-
Trademarks	<u>1,050</u>	<u>1,050</u>	<u>1,050</u>
	53,963	53,963	110,635
Less accumulated amortization	<u>(22,353)</u>	<u>(14,755)</u>	<u>(22,061)</u>
	<u>\$ 31,610</u>	<u>\$ 39,208</u>	<u>\$ 88,574</u>

Amortization expense related to intangible assets was \$7,598, \$7,598, and \$7,306, respectively for the years ended December 31, 2022, 2021 and 2020.

MOBILITY CITY HOLDINGS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021 and 2020

5. NOTE AND LOANS PAYABLE

Note Payable

In connection with the United States (U.S.) Small Business Administration (SBA) program, on April 29, 2017, the Company entered into note payable agreement (“the Note Payable) with a bank for \$125,000. The Note Payable required monthly principal and interest (at the prime rate plus 2.75%) payments of \$1,416 with the remaining principal and interest due and payable 10 years from the date of the Note Payable. The outstanding principal balance of the Note Payable was \$90,264 at December 31, 2020. The Note Payable was paid off on October 12, 2021.

PPP Loans

In response to the COVID-19 pandemic, on April 21, 2020 and February 4, 2021, the Company was granted loans from American National Bank for \$25,000 and \$43,482, respectively, pursuant to U.S. SBA Paycheck Protection Program under the Coronavirus Aid, Relief, and Economic Security Act (“PPP Loans”). The PPP Loans were in the form of two notes that mature during 2022 and 2026, respectively, and bear interest at a rate of 1.00% per annum. During 2021 and 2020, the Company used the entire PPP Loan amounts for qualifying expenses as described in the CARES Act and during 2021 received formal notices that the PPP Loans were forgiven and as a result recognized \$68,482 of income which is included as a component of other income (expense) in the accompanying statements of operations for the year ended December 31, 2021.

Loan Payable

In response to the coronavirus (COVID-19) outbreak in 2020, the U.S. Federal Government enacted the Coronavirus Aid, Relief, and Economic Security Act (Cares Act) that among other economic stimulus measures, created the Economic Injury Disaster Loan (EIDL), which is a loan program created to issue 30-year, 3.75% Small Business Administration (SBA) loans to meet working capital and normal operating expense needs. On May 22, 2020, the SBA authorized a \$150,000 loan to the Company (“the Loan Payable”) that required principal and interest payments to begin 12 months from the date of the related promissory note. The Loan Payable has since been modified several times and during January 2022 was increased to \$754,800 with monthly principal and interest (rate of 3.75%) payments of \$3,688 to begin during October 2022 through the maturity date of May 22, 2050. The outstanding Loan Payable balance was \$753,462, \$481,035, and \$149,935, respectively, at December 31, 2022, 2021, and 2020 and is secured by substantially all the Company’s assets and guaranteed by the Company’s shareholder.

The principal maturities of the Loan Payable as of December 31, 2022 are as follows:

<u>Year Ending</u>	
2023	\$ 15,689
2024	16,285
2025	16,907
2026	17,552
2027	18,221
Thereafter	<u>668,808</u>
	<u>\$ 753,462</u>

MOBILITY CITY HOLDINGS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021 and 2020

6. OPERATING LEASE

The Company leases office space in Boca Raton, Florida which it shares with a related party. The lease agreement commenced on January 15, 2021 and is for a period of 63 months, ending on April 15, 2026. The terms of the lease includes monthly base rental payments of \$6,133, \$6,400, and \$6,668, respectively, for years one through three and an annual increase of three percent of the previous base rent for the remaining initial term and option periods. The Company and the related party have agreed that the Company's portion of the rent (and related variable costs) is approximately fifty percent. In addition, the Company was required to provide a security deposit at the inception of the lease and is responsible for certain common area maintenance expenses as well as sales tax. The lease agreement includes two five-year options to renew and is guaranteed by the Company's shareholder.

The lease is classified as an operating lease and on January 1, 2022, the Company adopted Topic 842 and accordingly recognized an operating lease right-of-use asset and lease liability of \$319,699 representing the present value of the remaining lease payments using its incremental borrowing rate of 3.75%. The operating lease right-of-use asset is subsequently measured throughout the lease term at the carrying amount of the operating lease liability. The operating lease right-of-use asset and operating lease liability balances at December 31, 2022 were both \$241,203.

Prior to 2021, the Company leased office space in Fort Lauderdale, Florida with terms that included monthly payments of \$1,798 from March 2019 through January 2020, and \$1,853 from February 2020 through the end of the lease in August 2020.

The future minimum lease payments are as follows (excluding future renewal options) as of December 31, 2022:

<u>Year Ending</u>	
2023	\$ 80,000
2024	82,400
2025	84,872
2026	<u>21,854</u>
	<u>\$ 269,126</u>

7. LITIGATION SETTLEMENT

During 2019, a certain franchisee was terminated for breaching the terms of the Company's franchise agreement. During 2020 and after termination, the former franchisee filed a demand letter for arbitration with the American Arbitration Association. On April 9, 2021, the Company and the former franchisee entered into a settlement and mutual release agreement where the Company agreed to pay \$142,500 which is included as a component of other income (expense) in the accompanying statements of operations for the year ended December 31, 2021

8. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through January 26, 2023, the date which the financial statements were available to be issued.

EXHIBIT F
OPERATING MANUAL TABLE OF CONTENTS

<u>Manual Section</u>	<u>Number of Pages</u>
Preface & Introduction.....	13
Establishing a Mobility City Business.....	33
Personnel.....	71
Administrative Procedures.....	24
Mobility City Daily Procedures	19
Marketing the Mobility City Brand	24
<hr/>	
Total Number of Pages	184

EXHIBIT G

CURRENT AND FORMER FRANCHISEES

Current Franchisees (as of December 31, 2022)

Names of all franchisees and the address and telephone number of each of their outlets:

State	Franchise Location	Address	Phone No.	Owner and Email
AZ	Mobility City of Phoenix	885 E. Warner Road Suite 103 Gilbert, AZ 85296	480-892-2545	Adrian Power adriane.power@mobilitycity.com
CO	Mobility City of Denver	151 W. Mineral Ave. #115B Littleton, Co 80120	720-534-7007	Josh Liss josh.liss@mobilitycity.com
FL	Mobility City of Lakeland	997 East Memorial Blvd Ste 103 Lakeland, FL 33801	863-874-4039	Venessa Campbell venessa.campbell@mobilitycity.com
FL	Mobility City of Sarasota	3234 Clark Rd Sarasota, FL 34231	941 210-6283	Jamie Houser jamie.houser@mobilitycity.com
FL	Mobility City of South West Florida	13650 Fiddlesticks Blvd. #104 Ft Myers, FL 33912	239-341-4300	Laura Paradowski laura.paradowski@mobilitycity.com
FL	Mobility City of St Pete/Clearwater	3690 East Bay Drive Suite F Largo, FL 33771	727-361-6222	Chris Lamasse chris.lamasse@mobilitycity.com
ID	Mobility City of Idaho	3909 E. Fairview Avenue Suite 160 Meridian, ID 83642	208-972-1000	Gregg Welte gregg.welte@mobilitycity.com
IL	Mobility City of <u>Lake</u> County	888 East Belvidere Rd, Unit 401 Grays Lake, IL 60030	224-234-2311	Kevin Pignone kevin.pignone@mobilitycity.com
KS	Mobility City of Kansas City	6904 West 105th St. Overland Park, KS 66212	816-282-6528	Jim King jim.king@mobilitycity.com
LA	Mobility City of New Orleans	3501 Severn Avenue Suite 3B/C Metairie, LA 70002	504-380-9031	Jeff Varon jeff.varon@mobilitycity.com
MD	Mobility City of Central Maryland	6020 Meadowridge Ctr Dr, Suite P2 Elkridge, MD 21075	240-206-7434	Michael Beckman michael.beckman@mobilitycity.com
MD	Mobility City of Northern Maryland	1708 Liberty Road Ste 3 Eldersburg, MD 21784	410-768-9383	Karsan Witcher karsan.witcher@mobilitycity.com
MD	Mobility City of Southern Maryland	177 St. Patrick Dr. Ste. 102 Waldorf, MD 20603	240-222-3761	Tonya Magee tonya.magee@mobilitycity.com
MI	Mobility City of Metro Detroit	1848 N. Telegraph Road Dearborn, MI 48128	313-914-3020	Bob Griswold bob.griswold@mobilitycity.com

State	Franchise Location	Address	Phone No.	Owner and Email
MO	Mobility City of St. Louis	12009 Manchester Rd. St. Louis, MO 63131	833-662-2489	Noelle Humphrey noelle.humphrey@mobilitycity.com
NE	Mobility City of Omaha	4032 N. 132nd Street Omaha, Nebraska 68164	531-466-4506	Obiozor Okolo obi.okolo@mobilitycity.com
NV	Mobility City of Las Vegas	4266 S. Durango Drive Ste G Las Vegas, NV 89147	702-476-6687	Justin Brown justin.brown@mobilitycity.com
OH	Mobility City of Columbus	4506 Cemetary Rd. Hilliard, OH 43026	614-319-3138	Don Guilbert don.guilbert@mobilitycity.com
OK	Mobility City of Oklahoma City	12316 N. May Avenue Ste. A Oklahoma City, OK 73120	405-936-3324	Guy Colbert guy.colbert@mobilitycity.com
TX	Mobility City of Central Texas	11066 Pecan Park Blvd. #409 Cedar Park, TX 78613	512-646-8300	Gary Kral gary.kral@mobilitycity.com
TX	Mobility City of Fort Worth	501 North Industrial Blvd. #300 Bedford, TX 76021	682-503-4345	Holly Griswold holly.griswold@mobilitycity.com
TX	Mobility City of Houston	17687 Tomball Parkway Houston, TX 77064	832-344-3911	Swetha Kovvali swetha.kovvali@mobilitycity.com
TX	Mobility City of Montgomery County	11133 I-45 South Ste. 270 Conroe, TX 77302	936-224-7135	Salina Tullos salina.tullos@mobilitycity.com
TX	Mobility City of North Texas	9720 Coit Road, Ste. 180 Plano, TX 75025	972-292-9428	Amber Kincheloe amber.kincheloe@mobilitycity.com
TX	Mobility City of Rio Grande Valley	4722 S. Jackson Road Edinburg, TX 78539	956-348-2304	Armando Alfaro armando.alfaro@mobilitycity.com
TX	Mobility City of Sugar Land	7746 Highway 6, Ste H Missouri City, TX 77459	832-539-6881	AJ Gibson aj.gibson@mobilitycity.com
UT	Mobility City of Salt Lake City	6578 South State St. Murray, UT 84107	385-474-1211	Jase Hoover jase.hoover@mobilitycity.com
VA	Mobility City of Hampton Roads, Virginia Beach	6163 E Virginia Beach Blvd Unit 9 Norfolk, VA 23502	757-742-9933	Mike Withiam mike.withiam@mobilitycity.com
VA	Mobility City of Fairfax County	5586 General Washington Dr Alexandria, VA 22312	703-772-5030	Bennet Helfgott bennet.helfgott@mobilitycity.com

Franchisees with signed Franchise Agreements but not yet open (as of December 31, 2022):

Florida

Tyrone and LaToya Barber
Mobility City of North Palm Beach and the Treasure Coast
215-205-2937

Virginia

Mike Withiam
Mobility City of Richmond VA
mike.withiam@mobilitycity.com
757-742-9933

South Carolina / Georgia

Don Guilbert
Mobility City of Hilton Head/Savannah
don.guilbert@mobilitycity.com
614-319-3138

Former Franchisees

Name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during 2022:

Steven Schwartz
50 Willow Park Center, Farmingdale, NY 11735
631-465-9400

EXHIBIT H
STATE ADDENDA TO DISCLOSURE DOCUMENT

CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department of Financial Protection and Innovation, prior to a solicitation of a proposed material modification of an existing franchise.

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

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

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

ALL THE OWNERS OF THE FRANCHISE WILL BE REQUIRED TO EXECUTE PERSONAL GUARANTEES. THIS REQUIREMENT PLACES THE MARITAL ASSETS OF THE SPOUSES DOMICILED IN COMMUNITY PROPERTY STATES – ARIZONA, CALIFORNIA, IDAHO, LOUISIANA, NEVADA, NEW MEXICO, TEXAS, WASHINGTON AND WISCONSIN AT RISK IF YOUR FRANCHISE FAILS.

1. The following paragraph is added to the end of Item 3 of the Disclosure Document:

Neither franchisor nor any person or 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 that association or exchange.

2. The following paragraph is added to the end of Item 6 of the Disclosure Document:

With respect to the Late Fee described in Item 6, this Item is amended to disclose that the maximum rate of interest permitted under California law is 10%.

3. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

The Franchise Agreement requires franchisee to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person

acquiring a franchise to waive compliance with any provision of that law or any rule or order thereunder is void.

4. The following language is added to Item 21 of the disclosure document:

Pursuant to Section 310.113.5 of the California Code of Regulations, in lieu of an impound condition, franchisor has posted a Surety Bond in the amount of \$100,000, issued by Travelers Casualty and Surety Company of America, conditioned upon the completion by the franchisor of its obligations under the franchise contract to provide real estate, improvements, equipment, inventory, training or other items included in the franchise business being offered.

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

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

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

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement requires application of the laws of Florida. This provision may not be enforceable under California 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.

HAWAII ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Hawaii only, this Disclosure Document is amended as follows:

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

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

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

Registered agent in the state authorized to receive service of process:

Commissioner of Securities
335 Merchant Street
Honolulu, Hawaii 96813

Registration of franchises or filings of offering circulars in other states. As of the date of filing of this Addendum in the State of Hawaii:

1. A franchise registration is effective or an offering circular is on file in the following states: _____
2. A proposed registration or filing is or will be shortly on file in the following states: _____
3. No states have refused, by order or otherwise to register these franchises.
4. No states have revoked or suspended the right to offer these franchises.
5. The proposed registration of these franchises has not been withdrawn in any state.

ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, as amended (the “Act”), the Disclosure Document is amended as follows:

Illinois governs the agreements between the parties to the Franchise Agreement

Section 4 of the Act provides that any provision in the Franchise Agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a Franchise Agreement may provide for arbitration outside of Illinois.

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

Your rights upon termination and non-renewal of the Franchise Agreement are set forth in sections 19 and 20 of the Act.

YOUR TERRITORY IS EXCLUSIVE SUBJECT TO YOUR COMPLIANCE WITH ALL OBLIGATIONS OF THE FRANCHISE AGREEMENT AND YOUR ABILITY TO MEET ALL OF THE CUSTOMER DEMAND IN THE TERRITORY.

MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Maryland only, this Disclosure Document is amended as follows:

The following is added to Item 5:

“Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.”

The following is added to Item 17:

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

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

You have the right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.

The Franchise Agreement provides for termination upon bankruptcy of the franchisee. This provision may not be enforceable under federal bankruptcy law.

MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Minnesota only, this Disclosure Document is amended as follows:

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor 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 Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.
- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).
- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.
- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, which states "No action may be commenced pursuant to this Section more than three years after the cause of action accrues."

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE 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.

NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT

In the State of New York only, this Disclosure Document is amended as follows:

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 NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NY 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

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

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

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

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise,

securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

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

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

5. The following is added to the end of the “Summary” sections of Item 17(c), 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.

6. 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.

7. The following is added to the end of the “Summary” section of Item 17(j), titled “**Assignment of contract by franchisor**”:

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

8. The following is added to the end of the “Summary” sections of Item 17(v), 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.

NORTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

In the State of North Dakota only, this Disclosure Document is amended as follows:

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

1. Restrictive Covenants: Franchise disclosure documents that disclose the existence of covenants restricting competition contrary to NDCC Section 9-08-06, without further disclosing that such covenants will be subject to the statute.
2. 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.
3. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
4. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
5. Applicable Laws: Franchise agreements that specify that they are to be governed by the laws of a state other than North Dakota.
6. Waiver of Trial by Jury: Requiring North Dakota Franchises to consent to the waiver of a trial by jury.
7. Waiver of Exemplary and Punitive Damages: Requiring North Dakota Franchisees to consent to a waiver of exemplary and punitive damage.
8. General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.
9. 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.
10. 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.

OHIO ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Ohio only, this Disclosure Document is amended by adding the following two cover pages to this Disclosure Document:

MOBILITY CITY HOLDINGS, INC.

January 26, 2023

READ THIS DISCLOSURE DOCUMENT CAREFULLY

The state of Ohio has not reviewed and does not approve, recommend, endorse, or sponsor this or any franchise. If you have any questions about this franchise, the information contained in this disclosure document should be reviewed with an attorney or financial advisor before you sign any agreement.

The following disclosure document contains the disclosures required by Ohio law.

In the State of Ohio only, this Disclosure Document is further amended as follows:

The following is added to Item 19:

CAUTION

Some business opportunity plans have earned this amount. There is no assurance you will do as well. If you rely upon our figures, you must accept the risk of not doing as well.

RHODE ISLAND ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Rhode Island only, this Disclosure Document is amended as follows:

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

Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of a state other than Rhode Island is void as to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

VIRGINIA ADDENDUM TO DISCLOSURE DOCUMENT

In the Commonwealth of Virginia only, this Disclosure Document is amended as follows:

Estimated Initial Investment. The franchisee will be required to make an estimated initial investment ranging from \$121,225 to \$264,800. This amount exceeds the franchisor's stockholders' equity as of December 31, 2019, which is \$3,458.

The following statements are added to Item 17(h):

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

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to the franchisee under the franchise, that provision may not be enforceable.

Item 17(t) is amended to read as follows:

Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.

WASHINGTON ADDENDUM TO DISCLOSURE DOCUMENT

(See Exhibit I for Washington Addendum to Disclosure Document and Rider to Franchise Agreement)

EXHIBIT I
STATE ADDENDA TO FRANCHISE AGREEMENT

CALIFORNIA RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the “Agreement”), between Mobility City Holdings, Inc., a Florida corporation (“Mobility City Holdings”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Surety Bond. The following language is added to Item 21 of the disclosure document:

Pursuant to Section 310.113.5 of the California Code of Regulations, in lieu of an impound condition, franchisor has posted a Surety Bond in the amount of \$100,000, issued by Travelers Casualty and Surety Company of America, conditioned upon the completion by the franchisor of its obligations under the franchise contract to provide real estate, improvements, equipment, inventory, training or other items included in the franchise business being offered.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

FRANCHISOR:

MOBILITY CITY HOLDINGS, INC.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

ILLINOIS RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the “Agreement”), between Mobility City Holdings, Inc., a Florida corporation (“Mobility City Holdings”) and _____, a _____ (“Franchisee”).

- 1. Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Illinois Act” means the Illinois Franchise Disclosure Act of 1987.
- 2. Governing Law and Jurisdiction.** Notwithstanding any provision of the Agreement to the contrary, the Agreement is governed by Illinois law. The parties irrevocably submit to the jurisdiction and venue of the federal and state courts in Illinois, except for matters which the Agreement provides will be resolved by arbitration.
- 3. Limitation of Claims.** No action can be maintained to enforce any liability created by the Illinois Act unless brought before the expiration of 3 years from the act or transaction constituting the violation upon which it is based, the expiration of 1 year after Franchisee become aware of facts or circumstances reasonably indicating that Franchisee may have a claim for relief in respect to conduct governed by the Illinois Act, or 90 days after delivery to the Franchisee of a written notice disclosing the violation, whichever shall first expire.
- 4. Waivers Void.** Notwithstanding any provision of the Agreement to the contrary, any condition, stipulation, or provision purporting to bind Franchisee to waive compliance with any provision of the Illinois Act or any other law of the State of Illinois is void. This Section shall not prevent Franchisee from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.
- 5. Entire Agreement; No Disclaimer.** This Agreement and all related agreements executed simultaneously with this Agreement constitute the entire understanding of the parties and supersede any and all prior oral or written agreements between Mobility City Holdings and Franchisee on the matters contained in this Agreement; but nothing in this Agreement or any related agreement is intended to disclaim the representations that Mobility City Holdings made in the latest franchise disclosure document that Mobility City Holdings furnished to Franchisee.
- 6. Effective Date.** This Rider is effective as of the Effective Date.
- 7. Territory Exclusivity.** YOUR TERRITORY IS EXCLUSIVE SUBJECT TO YOUR COMPLIANCE WITH ALL OBLIGATIONS OF THE FRANCHISE AGREEMENT AND YOUR ABILITY TO MEET ALL OF THE CUSTOMER DEMAND IN THE TERRITORY.

(Signature page follows)

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

MOBILITY CITY HOLDINGS, INC.

By: _____

Name: _____

Title: _____

Date: _____

INDIANA RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the “Agreement”), between Mobility City Holdings, Inc., a Florida corporation (“Mobility City Holdings”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Indiana Acts” means the Indiana Franchise Act and the Indiana Deceptive Franchise Practices Act.

2. Certain Provisions Modified. Any provision of the Agreement which would have any of the following effects is hereby modified to the extent required for the Agreement to be in compliance with the Indiana Acts:

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from the franchisor or sources designated by the franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the franchisor. However, the publication by the franchisor of a list of approved suppliers of goods, supplies, inventories, or services or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the franchisor does not constitute designation of a source nor does a reasonable right of the franchisor to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the franchisor.

(2) Allowing the franchisor to establish a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the exclusive territory granted the franchisee by the franchise agreement; or, if no exclusive territory is designated, permitting the franchisor to compete unfairly with the franchisee within a reasonable area.

(3) Allowing substantial modification of the franchise agreement by the franchisor without the consent in writing of the franchisee.

(4) Allowing the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

(5) Requiring the franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by the Indiana Deceptive Franchise Practices Act or requiring any controversy between the franchisee and the franchisor to be referred to any person, if referral would be binding on the franchisee. This subsection (5) does not apply to arbitration before an independent arbitrator.

(6) Allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers prior to the franchisee's receipt of an official

price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subsection (6).

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subsection (7) includes any material violation of the franchise agreement.

(8) Permitting the franchisor to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the franchisee meets certain conditions specified in the agreement.

(9) Requiring a franchisee to covenant not to compete with the franchisor for a period longer than three years or in an area greater than the exclusive area granted by the franchise agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever.

(11) Requiring the franchisee to participate in any (A) advertising campaign or contest; (B) promotional campaign; (C) promotional materials; or (D) display decorations or materials; at an expense to the franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the franchisee may be required to pay.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

FRANCHISOR:

MOBILITY CITY HOLDINGS, INC.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

MARYLAND RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the “Agreement”), between Mobility City Holdings, Inc., a Florida corporation (“Mobility City Holdings”) and _____, a _____ (“Franchisee”).

- 1. Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Maryland Franchise Registration and Disclosure Law” means the Maryland Franchise Registration and Disclosure Law, Business Regulation Article, §14-206, Annotated Code of Maryland.
- 2. Releases, Estoppels and Waivers of Liability.** All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law. The general release required as a condition of renewal shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
- 3. Statute of Limitations.** Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.
- 4. Jurisdiction.** Franchisee does not waive its right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Registration and Disclosure Law in any court of competent jurisdiction in the State of Maryland.
- 5. Initial Franchise Fee.** Based upon the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until Mobility City Holdings completes its pre-opening obligations under the franchise agreement.

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

MOBILITY CITY HOLDINGS, INC.

By: _____

Name: _____

Title: _____

Date: _____

MINNESOTA RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the “Agreement”), between Mobility City Holdings, Inc., a Florida corporation (“Mobility City Holdings”) and _____, a _____ (“Franchisee”).

1. **Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Minnesota Act” means Minnesota Statutes, Sections 80C.01 to 80C.22.
2. **Amendments.** The Agreement is amended to comply with the following:
 - Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor 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 Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
 - With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non- renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.
 - The franchisor will protect the franchisee’s rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee’s right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).
 - Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
 - The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.
 - The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, and therefore the applicable provision of the Agreement is amended to state “No action may be commenced pursuant to Minnesota Statutes, Section 80C.17 more than three years after the cause of action accrues.”
 - In accordance with Minnesota Statute 604.113, the insufficient funds fee described in Section 4.9(d) of the Agreement is reduced to \$30.

3. **Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

MOBILITY CITY HOLDINGS, INC.

By: _____

Name: _____

Title: _____

Date: _____

NEW YORK RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the “Agreement”), between Mobility City Holdings, Inc., a Florida corporation (“Mobility City Holdings”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Waivers Not Required. Notwithstanding any provision of the Agreement to the contrary, Franchisee is not required to assent to a release, assignment, novation, waiver or estoppel which would relieve Mobility City Holdings or any other person from any duty or liability imposed by New York General Business Law, Article 33 (the “New York Franchise Law”).

3. Waivers of New York Law Deleted. Any condition, stipulation, or provision in the Agreement purporting to bind Franchisee to waive compliance by Mobility City Holdings with any provision of the New York Franchise Law, or any rule promulgated thereunder, is hereby deleted.

4. Governing Law. Notwithstanding any provision of the Agreement to the contrary, the New York Franchise Law shall govern any claim arising under that law.

5. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

FRANCHISOR:

MOBILITY CITY HOLDINGS, INC.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

NORTH DAKOTA RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the “Agreement”), between Mobility City Holdings, Inc., a Florida corporation (“Mobility City Holdings”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Amendments. The Agreement (and any Guaranty Agreement) is amended to comply with the following:

- (1) Restrictive Covenants: Every contract by which Franchisee, any Guarantor, or any other person is restrained from exercising a lawful profession, trade, or business of any kind is subject to NDCC Section 9-08-06.
- (2) Situs of Arbitration Proceedings: Franchisee and any Guarantor are not required to agree to the arbitration of disputes at a location that is remote from the site of Franchisee’s business.
- (3) Restrictions on Forum: Franchisee and any Guarantor are not required to consent to the jurisdiction of courts outside of North Dakota.
- (4) Liquidated Damages and Termination Penalties: Franchisee is not required to consent to liquidated damages or termination penalties.
- (5) Applicable Laws: The Agreement (and any Guaranty Agreement) is governed by the laws of the State of North Dakota.
- (6) Waiver of Trial by Jury: Franchisee and any Guarantor do not waive a trial by jury.
- (7) Waiver of Exemplary and Punitive Damages: Neither party waives exemplary and punitive damages.
- (8) General Release: Franchisee and any Guarantor are not required to sign a general release upon renewal of the Agreement.
- (9) Limitation of Claims: Franchisee is not required to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
- (10) Enforcement of Agreement: The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney’s fees.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

MOBILITY CITY HOLDINGS, INC.

By: _____

Name: _____

Title: _____

Date: _____

OHIO RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the “Agreement”), between Mobility City Holdings, Inc., a Florida corporation (“Mobility City Holdings”) and _____, a _____ (“Franchisee”).

The “BOPA” means the Ohio Business Opportunity Act, codified in Revised Code of Ohio, Title XIII, Chapter 1334.

2. Applicability of BOPA. Franchisee acknowledges that Mobility City Holdings is providing this Rider out of an abundance of caution, and that neither the execution of this Rider nor any other act of Mobility City Holdings constitutes an intent that BOPA apply to the transaction between Mobility City Holdings and Franchisee or an admission by Mobility City Holdings that the transaction fails to comply in any material respects with the trade regulation rule of the federal trade commission, “disclosure requirements and prohibitions concerning franchising,” 16 C.F.R. 436.1 et seq.

3. No Delivery of Goods or Services during Cancellation Period. Mobility City Holdings will not commence delivery of any goods or provide any services during the time within which Franchisee may cancel the Agreement as provided in Section 5 below.

4. Jurisdiction and Venue. In connection with the sale of the franchise, any provision in the Agreement restricting jurisdiction or venue to a forum outside of Ohio, or requiring the application of laws of another state, is void with respect to a claim otherwise enforceable under Sections 1334.01 to 1334.15 of the BOPA.

5. Cancellation. You, the franchisee, may cancel the transaction at any time prior to midnight of the fifth business day after the date you sign this Agreement. See the attached notice of cancellation for an explanation of this right.

6. Agent for Service of Process. The name and address of Mobility City Holdings’ agent authorized to receive service of process in Ohio is [_____].

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

MOBILITY CITY HOLDINGS, INC.

By: _____

Name: _____

Title: _____

Date: _____

**OHIO
NOTICE OF CANCELLATION**

[Insert Date Agreement Signed by FRANCHISEE]

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the Agreement, and any negotiable instrument executed by you will be returned within ten business days following Mobility City Holdings, Inc.'s receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to Mobility City Holdings at your business address all goods delivered to you under this agreement; or you may if you wish, comply with the instructions of Mobility City Holdings regarding the return shipment of the goods at Mobility City Holdings' expense and risk. If you do make the goods available to Mobility City Holdings and Mobility City Holdings does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to Mobility City Holdings, or if you agree to return them to Mobility City Holdings and fail to do so, then you remain liable for the performance of all obligations under the Agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to Mobility City Holdings, Inc., at 1200 Yamato Road, Suite A9, Boca Raton, FL 33421, or send a fax to Mobility City Holdings at *[Insert facsimile number]* or an e-mail to Mobility City Holdings at info@mobilitycity.com, not later than midnight of *[Insert date that is five business days after the date above]*.

I hereby cancel this transaction.

FRANCHISEE:

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

RHODE ISLAND RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the “Agreement”), between Mobility City Holdings, Inc., a Florida corporation (“Mobility City Holdings”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Jurisdiction and Venue. Any provision of the Agreement restricting jurisdiction or venue to a forum outside the State of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under Rhode Island Franchise Investment Act.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

FRANCHISOR:

MOBILITY CITY HOLDINGS, INC.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**WASHINGTON ADDENDUM TO DISCLOSURE DOCUMENT
AND
RIDER TO FRANCHISE 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.

The following language is added to Item 21 of the disclosure document:

In lieu of an impound condition, franchisor has posted a Surety Bond in the amount of \$100,000, issued by Travelers Casualty and Surety Company of America, conditioned upon the completion by the franchisor of its obligations under the franchise contract to provide real estate, improvements, equipment, inventory, training or other items included in the franchise business being offered.

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

MOBILITY CITY HOLDINGS, INC.

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT J

FRANCHISE DEPOSIT AGREEMENT

This Agreement is made between Mobility City Holdings, Inc., a Florida corporation (“MCH”), and _____, a resident of _____ (“Prospect”).

Background Statement: MCH is the franchisor of the Mobility City brand. Prospect desires to reserve a territory for development as a Mobility City franchisee.

1. **Deposit and Reservation of Territory.** Upon signing this Agreement, Prospect will pay a \$10,000 deposit to MCH. If Prospect signs a Mobility City Franchise Agreement for _____, the deposit will be applied towards the initial franchise fee. MCH will not sell a Mobility City franchise for such territory to any person other than Prospect prior to _____. If Prospect does not sign a Mobility City Franchise Agreement by such date, then MCH may sell the territory to another prospective franchisee.

2. **Refundability.** MCH will refund the deposit if the parties do not execute a Franchise Agreement because (a) MCH determines that Prospect does not meet MCH’s standards for a new franchisee, or (b) Prospect is denied funding by two independent funding sources after reasonable efforts to obtain funding, and Prospect shows proof of the funding denials to MCH. Otherwise, the deposit is not refundable.

3 **Miscellaneous.** This Agreement contains the entire agreement of the parties concerning its subject, and no modification will be effective except by a written amendment executed by both of the parties. This Agreement is not an offer to enter into a franchise. This Agreement is governed by laws of the State of Florida. Any dispute regarding this Agreement will be resolved in state or federal courts in Broward County, Florida.

Agreed to by:

Name: _____
Date: _____

MOBILITY CITY HOLDINGS, INC.

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

EXHIBIT K

FORM OF NON-COMPETE AGREEMENT FOR KEY EMPLOYEES

[For Key Employees of Franchisee]

This Agreement is made between _____ (“Employer”) and the undersigned employee (“Employee”).

Background Statement: Employer operates Mobility City business located at _____. Employee will be employed by Employer in the position of _____, and as such will gain valuable experience in Employer’s business and practices, and Employer will invest time and money in Employee’s development and training. Employer will entrust Employee with proprietary information and confidential information that is important to Employer’s business.

1. Confidentiality. Employee shall hold all Confidential Information in confidence and use it only in connection with Employee’s job on behalf of Employer. Employee’s obligations regarding Confidential Information remain in force indefinitely. “Confidential Information” means non-public information of or about Employer or the Mobility City business, in any form or media, whether or not marked “Confidential”, including but not limited to information about assets, financial condition, marketing plans, customers, employees, suppliers, proprietary processes, operations, and business plans.

2. Covenant Not to Compete. While Employee is employed by Employer, and for a period of [_____] years following the termination of the employment relationship between Employee and Employer for any reason, Employee shall not (a) manage, operate, control, be employed by, own or engage in, advise, consult with, participate in, or be connected with, either directly or indirectly, any business that provides mobile repair, sales, and cleaning of mobility equipment and that is located in [_____]. Employee acknowledges that because Employee will be exposed to, and entrusted with, confidential information and trade secrets of such sensitivity and importance to Employer’s core businesses, subsequent employment with a competitor would inevitably result in a prohibited disclosure of that information. Employee further acknowledges that Employee’s skills are such that Employee can be gainfully employed in a non-competitive position and that this Agreement will not prevent Employee from earning a living. If a court holds this covenant to be overbroad or unenforceable, it is the intent of the parties that it be enforced to the extent necessary to protect Employer’s legitimate business interests.

3. Works. Employee acknowledges that any inventions, discoveries, improvements, designs, ideas, technologies, techniques, and works of authorship and other work product, whether or not patentable or copyrightable, in whatever form, that relate to the business of Employer or that result or arise from the performance of work by Employee for Employer, shall automatically be the exclusive property of Mobility City Holdings, Inc., or its successors, as franchisor of the Mobility City brand (“Franchisor”).

4. Relationship. The relationship between Employer and Employee is an “employment-at-will” relationship, which means the employment may be terminable at the will of either party. This

Agreement does not, and is not intended to, create a relationship that is anything other than an “employment-at-will” relationship.

5. Miscellaneous. This Agreement cannot be modified or amended, except in a writing signed by the parties. Failure to insist upon compliance with any provision will not be deemed a waiver of such provision or any other provision hereof. The invalidity or unenforceability of any provision shall not affect the validity or enforceability of any other provision. The Agreement contains the entire agreement of the parties with respect to the matters contained herein. This Agreement will inure to the benefit of any successor owner of Employer’s business. Franchisor is a third-party beneficiary of this Agreement, with full rights to enforce it against Employee. This Agreement was made in and is governed by the laws of the State of _____.

Agreed to by:

EMPLOYEE:

By: _____

Signature: _____

Name: _____

Print Name: _____

Title: _____

Date: _____

Date: _____

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, 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	February 22, 2023
Washington	Pending
Utah	February 2, 2024

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.

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Mobility City Holdings, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that you be given this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If Mobility City Holdings, 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (which are listed in Exhibit A).

The name, principal business address, and telephone number of each franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Diane Baratta	1200 Yamato Road, Suite A9, Boca Raton, FL 33421	561-300-4100
Vincent Baratta	1200 Yamato Road, Suite A9, Boca Raton, FL 33421	561-300-4100
Charles Lewis	1200 Yamato Road, Suite A9, Boca Raton, FL 33421	561-300-4100

Issuance Date: January 27, 2023; amended June 14, 2023

I received a disclosure document dated January 27, 2023; amended June 14, 2023, that included the following Exhibits:

- A. State Administrators and Agents for Service of Process
- B. Franchise Agreement (with Guaranty and Non-Compete Agreement)
- C. Form of Rider for Multiple Showrooms
- D. Form of General Release
- E. Financial Statements
- F. Operating Manual Table of Contents
- G. Current and Former Franchisees
- H. State Addenda to Disclosure Document
- I. State Addenda to Franchise Agreement
- J. Franchise Deposit Agreement
- K. Form of Non-Compete Agreement for Key Employees

Signature: _____

Print Name: _____

Date Received: _____

Keep This Copy For Your Records

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- J. Franchise Deposit Agreement
- K. Form of Non-Compete Agreement for Key Employees

Signature: _____

Print Name: _____

Date Received: _____

Return this copy to us.