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FRANCHISE DISCLOSURE DOCUMENT 2019 MAR 11 PM 12 59



101 Mobility Franchise Systems, LLC
5221 Oleander Drive
Wilmington, North Carolina 28403
(910) 350-2755
franchise@101mobility.com
www.101mobility.com
www.101mobilityfranchise.com

You will operate a retail business which sells, rents, installs, and services mobility and accessibility-related equipment and accessories such as stair lifts, auto lifts, vertical lifts, patient lifts, elevators, and ramps under the 101 MOBILITY® trademarks

The total investment necessary to begin operation of a franchise ranges from \$118,790 to \$216,620. This includes the \$46,500 to \$71,500 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 or grant. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Mike Gardner, franchise@101mobility.com, 5221 Oleander Drive, Wilmington, North Carolina 28403, (910) 350-2755.

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.

Date of Issuance March 6, 2019

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit G for information about the franchisor or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

- 1 THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION, LITIGATION OR ARBITRATION IN THE STATE OF NORTH CAROLINA. OUT-OF-STATE MEDIATION, LITIGATION OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE, LITIGATE, OR ARBITRATE IN NORTH CAROLINA THAN IN YOUR HOME STATE.
- 2 THE FRANCHISE AGREEMENT STATES THAT NORTH CAROLINA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3 THE FRANCHISE AGREEMENT STATES THAT IF YOUR ANNUAL GROSS SALES FOR ANY YEAR OF OPERATION FAILS TO MEET THE ANNUAL PERFORMANCE REQUIREMENT, WE MAY TERMINATE YOUR TERRITORIAL PROTECTION OR TERMINATE YOUR FRANCHISE AGREEMENT.
- 4 FRANCHISOR MAY TERMINATE YOUR LIMITED TERRITORIAL PROTECTION UNDER THE FRANCHISE AGREEMENT IF 1) ANNUAL GROSS SALES DO NOT EXCEED \$300,000 DURING YOUR THIRD THROUGH FIFTH YEARS IN OPERATION, 2) ANNUAL GROSS SALES DO NOT EXCEED \$500,000 DURING YOUR SIXTH AND SUBSEQUENT YEARS IN OPERATION, AND 3) YOU DO NOT MAKE AND DOCUMENT AT LEAST 30 SALES CALLS PER APR PER QUARTER.
- 5 YOU WILL BE LIABLE FOR A MINIMUM ROYALTY FEE OF \$2,100 FOR YOUR THIRD AND FOURTH FULL OPERATING QUARTERS, \$3,600 FOR YOUR FIFTH THROUGH EIGHTH OPERATING QUARTERS, AND \$5,400 FOR EACH SUBSEQUENT OPERATING QUARTER.
- 6 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may use the services of one or more **FRANCHISE BROKERS** or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should make sure to do your own investigation of the franchise.

Effective Date: See the next page for state effective dates.

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates

STATE	EFFECTIVE DATE
California	
Illinois	
Indiana	
Michigan	
Minnesota	
New York	
Rhode Island	
Virginia	
Wisconsin	

In all other states, the effective date of this Disclosure Document is the issuance date of March 6, 2019

MICHIGAN NOTICE

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

- (a) A prohibition against you joining an association of franchisees.
- (b) A requirement that you assent to a release, assignment, novation, waiver or estoppel which would deprive you of rights and protections provided under the Michigan Franchise Investment Law. This does not preclude you, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits the franchisor to terminate your franchise prior to the expiration of its term except for good cause. Good cause includes your failure 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 the franchisor to refuse to renew your franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration, of your 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 provision applies only if:
 - (i) The term of the franchise is less than five years, and
 - (ii) You are prohibited by the Franchise Agreement 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 if you do not receive at least six months advance notice of the franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew the franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This provision does not require a renewal provision in the Franchise Agreement or other agreement.
- (f) A provision requiring that arbitration or litigation be conducted outside of Michigan. This does not preclude you from entering into an agreement, at the time of the arbitration, to conduct arbitration at a location outside of Michigan.
- (g) A provision that permits the franchisor to refuse to permit a transfer of ownership of the franchise, except for good cause. This provision does not prevent the franchisor from exercising a right of first refusal to purchase the franchise. Good cause includes, 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.
 - (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 you to resell to the franchisor items that are not uniquely identified with the franchisor. This does not prohibit a provision that grants the 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 it 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 you have breached the lawful

provisions of the Franchise Agreement and have failed to cure the breach in the manner provided in (c), above

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

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

Any questions concerning this notice should be directed to the Michigan Department of Attorney General, Consumer Protection Division, Franchise Unit, 525 W Ottawa Street, G Mennen Williams Building, 1st Floor, Lansing, Michigan 48913, (517) 373-7117

**101 MOBILITY FRANCHISE SYSTEMS, LLC
FRANCHISE DISCLOSURE DOCUMENT
TABLE OF CONTENTS**

ITEM	PAGE
ITEM 1 THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES	1
ITEM 2 BUSINESS EXPERIENCE	3
ITEM 3 LITIGATION	4
ITEM 4 BANKRUPTCY	4
ITEM 5 INITIAL FEES	4
ITEM 6 OTHER FEES	6
ITEM 7 ESTIMATED INITIAL INVESTMENT	12
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	15
ITEM 9 FRANCHISEE'S OBLIGATIONS	18
ITEM 10 FINANCING	19
ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING	19
ITEM 12 TERRITORY	25
ITEM 13 TRADEMARKS	26
ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION	28
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	29
ITEM 16 RESTRICTIONS ON WHAT FRANCHISEE MAY SELL	29
ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	31
ITEM 18 PUBLIC FIGURES	35
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS	35
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION	41
ITEM 21 FINANCIAL STATEMENTS	47
ITEM 22 CONTRACTS	47
ITEM 23 RECEIPTS	47
EXHIBITS	
A FRANCHISE AGREEMENT	
B STATE SPECIFIC APPENDIX	
C GENERAL RELEASE (SAMPLE FORM)	
D NONDISCLOSURE AND NONCOMPETE AGREEMENT	
E FINANCIAL STATEMENTS	
F MANUAL TABLE OF CONTENTS	
G STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS	
H LIST OF CURRENT FRANCHISEES AND LIST OF FORMER FRANCHISEES	
I COMPLIANCE QUESTIONNAIRE	
J RECEIPTS	

ITEM 1
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

This disclosure document describes 101 MOBILITY franchises. To simplify the language in this disclosure document, “we,” “us,” “our,” means 101 Mobility Franchise Systems, LLC, a North Carolina limited liability company, the franchisor. “You” means the business entity, person, or persons who sign the Franchise Agreement, the franchisee. If the franchisee is a partnership, corporation, limited liability company, or other entity, the term “you” does not include the entity’s principals unless otherwise stated.

The Franchisor, and Any Parents, Predecessors, and Affiliates

We are a North Carolina limited liability company formed on January 15, 2010. We do business only under our corporate name. Our principal place of business is located at 5221 Oleander Drive, Wilmington, North Carolina 28403. Our agents for service of process are listed in Exhibit G. We do not have any predecessors. We began offering franchises of the type described in this disclosure document in March 2010. We have never offered any other franchises in any other line of business. We do not conduct any other business activities other than offering and supporting Franchised Businesses.

Our parent company, 101 Mobility Holding Corporation, maintains a principal place of business at 200 Park Avenue 20th Floor, New York, New York 10166, as does its parent, Mobility Intermediate Holding Corporation, and its parent, who is our ultimate parent, Mobility Holding Corporation.

101 Mobility, LLC (“IP Licensor”), our affiliate, is a North Carolina limited liability company formed on January 30, 2008 and shares our principal place of business at 5221 Oleander Drive, Wilmington, North Carolina 28403. IP Licensor has operated a 101 MOBILITY business similar to the franchises offered in this disclosure document since its inception and provides franchise sales, marketing, and operational support services to us and to our franchisees. IP Licensor also currently owns the intellectual property to the 101 MOBILITY System and has licensed to us the right to use and sublicense the 101 MOBILITY System, including IP Licensor’s proprietary MOBILINK™ software. IP Licensor has never offered franchises of the type described in this disclosure document, nor in any other line of business.

APD Company, LLC (“APD”), our affiliate, is a North Carolina limited liability company formed on July 26, 2011 and shares our principal place of business at 5221 Oleander Drive, Wilmington, North Carolina 28403. APD manufactures and sells ramps to 101 MOBILITY franchisees. APD has never offered franchises of the type described in this disclosure document, nor in any other line of business.

Universal Mobility, LLC (“Universal”), our affiliate, is a North Carolina limited liability company formed on December 23, 2010 under its former name 101 Mobility Primary Care, LLC. Universal shares our principal place of business at 5221 Oleander Drive, Wilmington, North Carolina 28403, and provides our 101 MOBILITY franchisees with invoice services related to products and services supplied to National Accounts. Universal has never offered franchises of the type described in this disclosure document, nor in any other line of business.

Harmar Mobility, LLC (“Harmar”), our affiliate, is a Florida limited liability company formed on October 14, 2005 and maintains its principal place of business at 2075 47th Street, Sarasota, Florida 34234. Harmar sells mobility and accessibility related equipment to 101 MOBILITY franchisees. Harmar has never offered franchises of the type described in this disclosure document, nor in any other line of business.

The 101 Mobility Franchised Business

We grant franchises for the operation of retail businesses (“Franchised Businesses”) which sell, rent, install, and service mobility and accessibility related equipment and accessories such as stair lifts, auto lifts, vertical lifts, patient lifts, elevators, and ramps under the 101 MOBILITY trademark and other trademarks, service marks, logos and other indicia of origin (“Marks”). We offer these franchises as start-up businesses or as conversions from existing businesses to 101 MOBILITY Franchised Businesses.

Franchised Business customers include individuals, where the equipment provided enables recipients to reside or maneuver more easily in their own homes, as well as businesses, namely those which use the mobility and accessibility-related equipment to become compliant with the Americans with Disabilities Act (“ADA”). We also permit franchisees to sell equipment which they refurbish. The current business focus is to sell and rent items on a private-pay basis—that is, the recipients pay out-of-pocket or through a source other than Medicare or Medicaid reimbursements. For many, though not all, of our franchisees, a large portion of current Franchised Business sales are through Veteran Administration (“VA”) hospitals, who buy the equipment for the veterans they serve. As of the date of this disclosure document, we have two Veterans Affairs Federal Supply Schedule (“VA FSS”) program agreements. The first went into effect on January 1, 2019 and the second on February 1, 2019. Each agreement has a term of five years. Franchised Businesses also obtain customer leads through referral sources such as construction contracts, insurance companies, rehabilitation centers, state agencies, and non-profit organizations. We do encourage and, to an extent, require that franchisees develop business in their local market by making direct sales calls and not solely relying on more passive leads such as VA hospitals, our website, or other such sources.

The 101 MOBILITY proprietary business format and system (“System”) includes specifications for equipment and services offered by the Franchised Business, distinctive color scheme, graphics, signage, and other identifying elements (collectively, the “Trade Dress”), business office and specially-outfitted vehicle specifications, training programs, operating procedures, customer service standards, and marketing and advertising techniques, our proprietary MOBILINK software, and other policies, procedures, standards, and terms that we designate for developing, operating, and managing a 101 MOBILITY Franchised Business, all of which we may change, improve, and further develop (collectively, our “Standards”).

A 101 MOBILITY Franchised Business provides services and equipment within a designated Area of Primary Responsibility (“APR”) from a combination business office and storage or warehouse space in a mixed-use industrial area ranging between 1,500 and 2,500 square feet. You will operate the Franchised Business according to our standard franchise agreement (see Exhibit A) and our Standards, specifications, policies and procedures which will be communicated to you via our confidential operations manuals and other written directives (collectively, the “Manuals”). If you are converting from an existing business to a 101 MOBILITY Franchised Business, you will also sign our standard conversion addendum (see Attachment C to the franchise agreement).

Market and Competition

The mobility products dealer industry is highly fragmented. Most dealers operate single unit outlets and service only their local area. While there are a few dealers that operate on a regional level, most do not have nationwide coverage or national brand recognition. There are a number of websites selling mobility products online for “self-installation.” Generally, these online dealers compete on price and offer no in-person services or support after the sale. The 101 MOBILITY business model utilizes local representatives who meet with the client in-person and are able to make product recommendations, perform accurate evaluations, and provide installation and support services after the sale.

The market for mobility and accessibility related products and related services is a developing market. Customers include direct customers, which include individuals or family advocates who are looking for assistance for a loved one, and commercial businesses, who must ensure that their facilities are handicap-accessible. Indirect customers include, for example, non-profit organizations, state agencies, centers for independent living, VA hospitals, and Medicaid waiver programs. Finally, referral sources include providers of physical therapy services, rehabilitation centers, and senior care businesses.

Industry-Specific Regulations

In certain instances you will need to comply with ADA laws and regulations. There may also be local laws governing the sale and installation of mobility and accessibility related equipment. Many states, counties, and local jurisdictions require that stair lifts or platforms be installed by licensed elevator contractors. In

such states, you may be required to use such a contractor on certain jobs which may impact your cost of installation and may cause you to hire a competitor to perform the installation

Federal, state, and local governmental laws, ordinances, and regulations periodically change. It is your responsibility to ascertain and comply with all federal, state, and local governmental requirements. You should consult with your attorney about laws and regulations that may affect your Franchised Business. In addition to the laws and regulations described above and applicable to mobility and accessibility related equipment and services, you will have to comply with laws and regulations that are applicable to business generally (such as workers' compensation and OSHA)

ITEM 2 BUSINESS EXPERIENCE

President David Pazgan

Mr. Pazgan has served as our President since May 2013. Since our formation in January 2010 until May 2013, he served as our Chief Executive Officer. He has also served as Partner/Business Development of IP Licensor from January 2008 until May 2013.

Vice President Eugene Nesbeda

Mr. Nesbeda has served as our Vice President since May 2013. He has also served as a Partner of Cortec Group, located in New York, New York, since January 2008.

Vice President Jeffrey Lipsitz

Mr. Lipsitz has served as our Vice President since May 2013. He has also served as Managing Partner of Cortec Group, located in New York, New York, since September 1998.

Vice President Operations Kathy Thiessen

Ms. Thiessen has served as our Vice President Operations since January 2015. Previously, from June 2014 until December 2014, she served as the Director of Sales for Merry Maids in Memphis, Tennessee. From January 2011 until May 2014, Ms. Thiessen served as the Vice President and General Manager for AmeriSpec Home Inspection Services and Furniture Medic, located in Memphis, Tennessee.

Vice President Finance Douglas Hahn

Mr. Hahn has served as our Vice President Finance since May 2013. Previously, from January 2013 until May 2013, he served as our Chief Financial Officer.

Manager of Training and Support Tamara Cunningham

Ms. Cunningham has served as our Manager of Training and Support since July 2014. Previously, from November 2011 to July 2014, Ms. Cunningham served as our Corporate Trainer.

Manager of Technical Training Mitchel Gower

Mr. Gower has served as our Manager of Technical Training since April 2016. Since May 2017, Mr. Gower has also served as the Branch Manager of IP Licensor's 101 MOBILITY business in Wilmington, North Carolina. From February 2014 until July 2016, Mr. Gower served as product and technology support personnel for IP Licensor in Wilmington, North Carolina. From May 2013 until June 2016, he served as a Senior Service Technician for IP Licensor in Salisbury, North Carolina.

Franchise Business Development Manager Chris Mink

Ms. Mink has served as one of our Franchise Business Development Managers since July 2012. Since July 2004, Ms. Mink has also served as a Registered Dietitian for Central Ohio Nutrition Center in Gahanna, Ohio.

Franchise Business Development Manager Chris Diehl

Mr Diehl has served as one of our Franchise Business Development Managers since April 2014. Previously, from October 2013 until April 2014, he served as the Practice Manager for Babb McGrew in Wilmington, North Carolina. From April 2008 until June 2013, Mr Diehl served as the Director, Business Development for Paragon International, also located in Wilmington, North Carolina.

Franchise Business Development Manager Mike Gardner

Mr Gardner has served as one of our Franchise Business Development Managers since September 2013.

**ITEM 3
LITIGATION**

101 Mobility Franchise Systems, LLC, v RAMMCO, LLC, Harold "Butch" Melton, and Michael Marshall, Case No. 1:17-cv-02771-ELR filed in the United States District Court for the Northern District of Georgia Atlanta Division on July 21, 2017. Franchisor filed suit against its former franchisee, RAMMCO, LLC, and its guarantors, Mr Melton and Mr Marshall, after franchisee was terminated for repeated failures to pay a key supplier in accordance with their payment terms. After termination, however, Defendants continued to operate a competing business and to use the 101 MOBILITY trademarks and proprietary customer information. As a result, Franchisor brought suit to enforce the post-termination obligations under the Defendants' franchise agreements. Franchisor's complaint includes causes of actions for breach of the franchise agreements, breach of guaranties, attorneys' fees, trademark infringement and false designation, unfair competition, violation of Georgia's Uniform Deceptive Trade Practices Act, and Preliminary Injunction. Franchisee settled with Franchisor and agreed to cease all operations and abide by an agreed-upon non-competition covenant, except with respect to Franchisee's most remote APR. Franchisor waived certain amounts owed and agreed to pay to Franchisee \$40,000 on execution of the settlement agreement and another \$20,000 at the end of the non-competition period as long as Franchisee has remained in full compliance with the terms of the non-competition covenant.

GOJO, Inc. and Edward Goshinski, Jr. v. 101 Mobility Franchise Systems, LLC, Case No. 7:17-cv-147 filed in the United States District Court for the Eastern District of North Carolina Southern Division on July 27, 2017. Franchisor terminated Plaintiff GOJO, Inc., its former franchisee, for failure to meet the minimum performance requirements, as set in the Franchise Agreements, for three consecutive years. Plaintiffs brought suit against Franchisor for breach of contract, breach of implied covenant of good faith and fair dealing, violation of North Carolina's Unfair and Deceptive Trade Practices Act, and a declaratory judgment, claiming damages in an amount of at least \$15 million plus attorneys' fees and costs. On October 6, 2017, Franchisor filed its answer and counterclaims, including claims for multiple breaches of contract, and injunctive relief seeking a permanent injunction for GOJO and Mr. Goshinski's failure to abide by post-termination covenants, including the covenant not to compete. On May 22, 2018, the parties entered into a settlement agreement pursuant to which the parties agreed to dismiss all claims against the other and under which each party executed a general release, releasing the other parties from all past liabilities.

Other than these actions, no litigation is required to be disclosed in this Item.

**ITEM 4
BANKRUPTCY**

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

**ITEM 5
INITIAL FEES**

Initial Franchise Fee

The Initial Franchise Fee for a start-up Franchised Business is calculated as \$10,000 plus \$0.05 per person in your APR, and typically ranges from \$35,000 for a population of 500,000 to \$60,000 for a population of

1,000,000 The Initial Franchise Fee is due when you execute your Franchise Agreement and is nonrefundable upon payment

We may grant you additional Franchised Businesses for contiguous APRs The Initial Franchise Fee for contiguous APR territories is calculated as \$0.05 per person in each additional APR We will require that you enter into a Franchise Agreement for each additional APR purchased and the Initial Franchise Fee related to each APR will be paid to us at the time you sign the associated Franchise Agreement The Initial Franchise Fee for any additional APR is nonrefundable upon payment

If you qualify for our military veteran's program, the Initial Franchise Fee for your first APR purchased will be discounted by \$5,000 This discount is available to veterans who have received a discharge (other than dishonorable) as well as any active duty personnel If the franchisee is a corporation, limited liability company, or other legal entity, the veteran participant must maintain at least a 51% ownership interest in the entity to qualify for this discount To apply for the discount, you must provide us with a copy of form DD-214, reflecting your military status, before the Franchise Agreement is signed

The formulas for the calculation of Initial Franchise Fee for all APRs are uniformly imposed

Initial Software License Fee

You will pay us a \$3,500 Initial Software License Fee for your license to use our proprietary business management MOBILINK software Currently, we do not impose an Initial Software License Fee for any additional APRs you operate The Initial Software License Fee is uniform for all franchisees and is nonrefundable upon payment

Initial Marketing Fee

At the time you sign your Franchise Agreement, you will also pay us a \$5,000 Initial Marketing Fee This fee includes the cost of creating your Internet mini-site, or landing page, on our main website, as well as certain other marketing related activities we assist you with, for example, establishing certain select social media accounts, such as Google+, Yelp, and Angie's List accounts, and setting up designated pay per click accounts We also provide you with a start-up marketing kit which includes, among other items, an initial inventory of branded folders, pens, brochures, and sell sheets Currently, we do not impose an Initial Marketing Fee for any additional APRs you operate The Initial Marketing Fee is waived for franchisees converting an existing business to a 101 MOBILITY Franchised Business, but is otherwise uniform for all franchisees and nonrefundable upon payment

Technology Package Fee

When you attend our initial training program, we will provide you with an iPad Pro, on which certain required software will have been installed, and a Microsoft Surface Go, which meet our current specifications In exchange for both items, at the time you sign your Franchise Agreement, you will pay us a \$3,000 Technology Package Fee This Technology Package Fee does not include any ongoing maintenance or replacement plan which we strongly recommend that you purchase, for example, through third party warranty vendors The Technology Package Fee is uniform for all franchisees and is nonrefundable upon payment

**ITEM 6
OTHER FEES**

Type of Fee¹	Amount	Due Date	Remarks
Royalty Fee	7% of Gross Sales from the Franchised Business for up to 1 million in Gross Sales, 6% of Gross Sales in excess of 1 million and up to 2 million, 5% of Gross Sales in excess of 2 million	Weekly, currently, on Tuesdays for Gross Sales received during the preceding week	Beginning on the day you start operating your Franchised Business, Royalty Fees will be calculated on a calendar year basis beginning with the 7% Royalty Fee and decreasing as you hit each Gross Sales target. It is our current policy, however, to begin each calendar year with the Royalty Fee that was in effect at the end of your preceding calendar year. It is also our current policy to impose the Royalty Fee on the aggregate Gross Sales of all APRs you own. We may modify or terminate these policies at our discretion. See Note 2 for the definition of "Gross Sales."
Minimum Royalty Fee	A fixed quarterly amount, imposed on your third full and each subsequent operating quarter as follows: \$2,100 for your third full and fourth operating quarters, \$3,600 for your fifth through eighth full operating quarters, and \$5,400 for each subsequent operating quarter	Quarterly	If the Royalty Fee on Gross Sales from services and equipment provided inside your APR for the previous three months is less than the Minimum Royalty Fee, you will pay the difference to us on the day your next Royalty Fee payment is due.
Marketing Fee	Up to 4% of Gross Sales, currently 1.25% of Gross Sales per week up to \$12,000 per year, plus \$350 per month, where the total of both each month does not exceed 4% of Gross Sales	1.25% of Gross Sales weekly, currently on Tuesdays for Gross Sales from preceding week, and on the final Tuesday of each month, the greater	We reserve the right to change the Marketing Fee periodically, provided that the maximum Marketing Fee cannot exceed 4% of annual Gross Sales.

Type of Fee ¹	Amount	Due Date	Remarks
		of \$350 or the balance of 4% of Gross Sales for weeks collected during the same month	
Local Marketing	Up to 2% of Gross Sales	Monthly local marketing requirement must be spent before the end of each month	We may require that you spend up to 2% of Gross Sales on approved marketing and advertising activities in your APR to promote the Franchised Business
Marketing Cooperatives	Varies with circumstances	Monthly	If we require that you participate in a marketing cooperative for your market area, any amounts you contribute to the cooperative will be credited toward your Local Marketing expenditure requirement
Interest	18% per year (or maximum legal rate, if less) on any outstanding amount owed	On demand	If you fail to make a payment on time, you must pay us interest on the amount owed from the due date until paid in full
Late Fee	\$150 for each overdue payment received after the Payment Date, increasing by \$25 each day that a payment remains unpaid after the due date	On demand	If you fail to make a payment on time, you must pay us the Late Fee which will increase by \$25 for each day that a payment remains unpaid after the due date. We may increase the Late Fee upon 60 days prior written notice, but we will not increase the Late Fee more than once in any 12-month period.
Call Center Program	Currently, between \$1.45 to \$2 per minute	Weekly	We have implemented a phone answering service and system ("Call Center Program"). While we reserve the right to require participation in this program, currently participation is voluntary.

Type of Fee ¹	Amount	Due Date	Remarks
Additional Training	Reasonable training fee, currently, \$300 per person per day Annual conference fee, currently, \$995 per franchised business (regardless of number of attendees)	Before training begins	We have the right to charge for additional training provided, including (i) initial training provided to persons repeating or replacing a person who did not pass initial training, (ii) initial training for subsequent trainees, and (iii) periodic additional training we may provide, including our annual conference You are responsible for the travel, lodging, and dining costs, wages, and other expenses incurred by your trainees
Additional Assistance	The travel, lodging, and dining costs of our representatives plus a Consulting Fee of \$300 per trainer per day	Within 15 days after services are rendered	Payable if we provide requested or required consulting services in-person at your Franchised Business location or at a place other than our offices. We have the right to increase the amount of the Consulting Fee once within any 12-month period
Supplier Review	Our reasonable costs and expenses for inspecting the supplier and/or testing the proposed equipment, including personnel and travel, lodging, and dining costs	On demand	Payable if you wish to offer or use any supplies or equipment that we have not approved or to purchase from a supplier that we have not approved, whether or not we approve the item or supplier
Renewal Fee	\$7,500	When you sign the renewal Franchise Agreement	
Transfer Fee – (payable if you are an individual transferring to a business entity for convenience of operation)	\$1,000	Before transfer	Historically, this fee has not been uniformly applied
Transfer Fee – (payable if your	\$5,000	Before transfer	Historically, this fee has not been uniformly applied

Type of Fee ¹	Amount	Due Date	Remarks
owners are transferring among themselves or transferring a minority ownership interest to one or more third parties)			
Transfer Fee – (payable if you are assigning your interest in the Franchise Agreement, transferring all or substantially all of the assets of the Franchised Business, or your owners are transferring a controlling interest)	50% of our then-current Initial Franchise Fee 30% of our then-current Initial Franchise Fee if you are an approved immediate family member or employee of franchisee	Before transfer	Historically, this fee has not been uniformly applied
Monthly Software License Fee	Currently \$99 per month, which we may increase by up to 10% in any calendar year	Monthly, on the first Royalty Fee due date of each month	Currently, we do not impose Monthly Software License Fees for any additional APRs you operate
Email Charges	Currently, there is no charge for the first four email address accounts issued to you, any additional address accounts are available for \$10 per month each	Monthly, in advance	We are your designated provider for email address accounts
Lead Management Software	Currently, \$60 per month per user	Monthly, in advance	You must use our designated lead management and sales engagement software. This is a third-party software which sets its own fees
Presentation Software	Currently, \$18 per month	Monthly, in advance	
Electronic Signature Platform	Currently, \$30 per month for up to three users	Monthly, in advance	
Referral Fee	As described in our Manuals	On demand	We have the right to require you to pay referral fees to franchisees who make

Type of Fee ¹	Amount	Due Date	Remarks
			referrals to you in an amount or according to a formula determined by us in our sole discretion, as described periodically in the Manuals
Commission	As described in our Manuals	On demand	If a customer prefers that you perform an installation in an APR other than your own, you must obtain our prior written approval and pay the franchisee in whose APR the installation is performed, a commission in an amount or according to a formula determined by us in our sole discretion, as described periodically in the Manuals
Reimbursement of monies paid by us on your behalf	Varies with circumstances	On demand	Covers cost of insurance and other payments you fail to make and which we make on your behalf
Audit Fee	Amount due, plus interest and costs of audit	On demand	If an audit shows an understatement of fees due for any period of more than 2% of Gross Sales, you must pay us the amount in error plus interest and our costs and expenses for the audit
Inspection	Our reasonable expenses incurred in inspecting your Franchised Business, including travel, lodging, and meals, and compensation for our representatives	On demand	Payable if inspection is necessitated by a repeated or continuing failure to comply with any provision of the Franchise Agreement
Remedial Expenses	Our reasonable expenses incurred in correcting your operational deficiencies	On demand	If we give you notice of deficiencies we identify during an inspection and you fail to correct the deficiencies in a reasonable time, we may correct the deficiencies at your expense
Enforcement Expenses	Our reasonable cost of de-identifying your Franchised Businesses	On demand	Payable if your Franchise Agreement expires or is terminated, you fail to de-

Type of Fee ¹	Amount	Due Date	Remarks
	and other costs and expenses incurred as a result of your failure to comply with your post-termination obligations		identify your Franchised Businesses or comply with your other post-termination obligations, and we take steps to enforce these obligations
Costs and Attorneys' Fees	Varies with circumstances	On demand	You must reimburse us for our expenses in enforcing or terminating any agreements between us, including any Franchise Agreement
Indemnification	Varies with circumstances	On demand	You must reimburse and pay our attorneys' fees with respect to any and all losses and expenses incurred by us arising or resulting from your operation of the Franchised Business
Liquidated Damages	(i) your average weekly Royalty Fee (including any applicable Minimum Royalty Fee) plus your average weekly Marketing Fee due for the last 52 weeks (or, if less, the period the Franchised Business has been open) before your termination, (ii) multiplied by the lesser of 156 or the number of weeks remaining in the then-current Term of the Franchise Agreement, and (iii) discounted to present value	On demand	Payable only if you prematurely close the Franchised Business or if we terminate the Franchise Agreement on account of your material breach. This liquidated damages formula also includes Royalty Fees and Marketing Fees for a certain proportion of sales outside of your APR, if any.

Notes

Note 1 The fees and payments in the above chart are, unless otherwise noted, non-refundable upon payment and, except for the Transfer Fee, are uniformly imposed. You must use the payment methods we designate. You must furnish us and your bank with any necessary authorizations to make payment by the methods we require.

Note 2 "Gross Sales" means all revenue and monies received from the sale of all services and products related to the Franchised Business (regardless of where the products and services are provided) and all other income of every kind and nature related to the Franchised Business, including proceeds of business.

interruption insurance, whether for cash or credit (and regardless of collection in the case of credit) "Gross Sales" does not include any sales taxes or other taxes that you collect from customers and pay directly to the appropriate taxing authority, any rebates or promotional allowances paid to you in connection with your purchase of equipment or supplies, and documented customer adjustments and refunds

ITEM 7
ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is to Be Made
Initial Franchise Fee ¹	\$35,000 to \$60,000	Lump sum	When Franchise Agreement is signed	Us
Vehicle and Signage ^{2/15}	\$8,860 to \$10,900	As incurred	As incurred	Car dealer, vendor, and suppliers
Lease and Utility Security Deposits and Initial Monthly Payments ³	\$13,500 to \$27,000	As incurred	As incurred	Landlord and utility suppliers
Equipment ⁴	\$9,000 to \$15,000	As incurred	As incurred	Suppliers
Leasehold Improvements ⁵	\$0 to \$3,000	Lump sum	Upon signing	Contractor
Office Furniture and Fixtures	\$500 to \$2,000	As incurred	As incurred	Suppliers and contractors
Signage ^{6/15}	\$500 to \$1,000	Lump sum	As incurred	Vendor
Technology Package Fee, Office Equipment, and Supplies ⁷	\$3,730 to \$5,000	As incurred	As incurred	Suppliers
Initial Software ⁸	\$4,200 to \$4,520	As incurred	As incurred	Us or our affiliates and suppliers
Training ^{9/15}	\$5,500 to \$9,200	As incurred	As incurred	Airlines, hotels, and restaurants
Initial Marketing Fee and Initial Launch Advertising ^{10/15}	\$9,000 to \$11,000	As incurred	As incurred	Suppliers
Business and Vehicle Insurance Deposits and Premiums ¹¹	\$8,000 to \$12,000	As incurred	As incurred	Insurance company or broker

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is to Be Made
Professional Fees ¹²	\$500 to \$5,000	As incurred	As incurred	Your attorneys, accountants, and business advisors
Licenses and Permits ¹³	\$500 to \$1,000	As incurred	As incurred	Licensing authorities
Additional Funds - Initial 6 Months ¹⁴	\$20,000 to \$50,000	As incurred	As incurred	Employees, suppliers, etc
TOTAL ^{15/16}	\$118,790 to \$216,620			

Notes

Note 1 The lower amount in the Initial Franchise Fee range in the chart above represents the Initial Franchise Fee for an APR with a population of 500,000 individuals. The higher range in the Initial Franchise Fee calculation is for an APR with a population of 1,000,000. Lower Initial Franchise Fees may apply to recipients of our veteran's discount, additional contiguous APRs, and for APRs we approve that include small to mid-sized cities and less densely populated areas with a minimum population of 350,000. Many franchisees have purchased more than one APR at once. If you elect to, and we approve the, purchase of multiple APRs, your initial investment range for the Initial Franchise Fee will increase accordingly. As the formula for calculating the Initial Franchise Fee is uniform for all franchisees, APRs which contain smaller populations will have Initial Franchise Fees that are less than what is disclosed in the above range.

Note 2 This range includes the estimated cost of the down payment and six monthly payments for the purchase of a vehicle to be used in connection with the Franchised Business. We currently do not specify the make and model of the vehicle that you must purchase, but reserve the right to do so. Many of our franchisees elect to use their own vehicle for sales purposes and to purchase, wrap, and outfit a second vehicle, typically a truck or other SUV, used by technicians for installation. The range in the chart includes the initial cost of financing the purchase of one installation vehicle, outfitting this vehicle, and purchasing and installing one vehicle wrap.

Note 3 This range assumes a one-month security deposit and six months of rent payments on a combination business office and storage or warehouse space in a mixed-use industrial area ranging between 1,500 and 2,500 square feet. The above range also includes utility-related security deposits and six months of estimated utility costs.

Note 4 This range includes the cost and installation of demonstration equipment and of minimal initial inventory, such as an auto lift, stair lift, ramps, and optional turning seats.

Note 5 This range estimates the built-out cost for your office space with attached garage bay. It is possible that your landlord's tenant improvement contribution or allowance, if any, will reduce your build-out investment.

Note 6 This range includes the cost of lettering on the Franchised Business's front entrance door and any permitted exterior signage for your office facility.

Note 7 This estimate is for the cost of purchasing a wireless printer, an iPad Pro and Microsoft Surface Go through our Technology Package Fee, as well as bar code scanning equipment. The low estimate assumes that you purchase only the above-listed items, the high range estimates you purchase additional hardware and office supplies.

Note 8 This range includes the Initial Software License Fee for our proprietary MOBILINK software, as described in Item 5. This estimate also includes the cost of QuickBooks Pro, which we require you purchase and use in connection with the operation of the Franchised Business.

Note 9 This range includes your estimated cost for completing our designated third party online training program for QuickBooks Pro and for attending our initial training program at the locations we designate. While we provide instructors, facilities, and materials for the initial training program at no charge, you are responsible for the travel, hotel, and dining, wages, and other expenses incurred by your trainees. Your actual costs will depend on the number of trainees, your point of origin, method of travel, class of accommodations, and dining choices.

Note 10 This range includes both the Initial Marketing Fee, as described in Item 5, and your initial launch advertising expenditure, for which you must spend between \$4,000 and \$6,000, as we designate, on advertising for the period beginning the two weeks prior to the opening of your Franchised Business through your four initial months of operation. Currently, we require that you pay us directly for initial launch expenditures relating to ad word campaigns, though we do not begin collecting these amounts until after your Franchised Business is open. Your cost may be higher depending on the type of promotions that you choose to implement, however, we must approve your plan in advance of its execution and reserve the right to modify your initial launch advertising plan, in our sole discretion. Item 11 further describes your initial launch advertising requirements.

Note 11 This range includes the cost of a deposit and your first six months of premiums for the minimum business and vehicle insurance required. You will need to check with your insurance carrier for actual premium quotes and costs, as well as the actual amount of the deposit. The cost of coverage will vary based on the area in which your business will be located, your experience with the insurance carrier, the loss experience of the carrier, the amount of deductibles and of coverage, and other factors beyond our control. You should also check with your insurance agent or broker regarding any additional insurance that you may wish to carry above our required minimums.

Note 12 This estimate is for the cost of engaging an attorney, accountant, or other business advisors to assist you in reviewing this disclosure document, the Franchise Agreement, and any other contracts related to your Franchised Business as well as to assist you in the formation of a legal entity to act as the franchisee and to research and evaluate any applicable legal, regulatory, and licensing requirements. We strongly recommend that you seek the assistance of professional advisors when evaluating this franchise opportunity.

Note 13 This estimate includes the cost of licenses and permits required to open and operate the Franchised Business. You are responsible for determining, obtaining, and maintaining all required licenses and permits necessary and related to your Franchised Business. You should check with local authorities, your attorney, or a business consultant to determine what licenses and permits are necessary for your Franchised Business.

Note 14 This is an estimate of the amount of additional operating capital that you may need during the first six months after opening your Franchised Business. This estimate includes additional funds for such items as employee salaries and wages, payroll taxes, fuel costs, credit card facility fees, legal and accounting fees, additional advertising, health and workers' compensation insurance, bank charges, supplies and equipment, staff recruiting expenses, state tax and license fees, deposits, prepaid expenses, and other miscellaneous items. This estimated range does not include financing payments and costs. The expenses you incur during the start-up period will depend on various factors, including local economic and market conditions and your business experience and acumen. We cannot guarantee that you will not incur additional expenses in starting the business that may exceed this estimate or that you will not need additional funds after your first six months of operation. It is best to contact your accountant or financial advisor for further guidance.

Note 15 For franchisees converting an existing business to a 101 MOBILITY Franchised Business, we currently waive the Initial Marketing Fee. We will also reimburse you up to \$4,000 for certain expenses you undertake that are directly related to rebranding, such as vehicle wraps and Business Office signage, and up to \$4,000 for travel, hotel, and meal expenses you incur in attending our Initial Training program. We will reimburse you for these expenditures after you submit your receipts to us and after you've opened your 101 MOBILITY Franchised Business. As a conversion franchise, your initial investment range may be less than the range disclosed in the above chart as several of the expenditure categories listed may not be wholly applicable to the conversion of your business to a 101 MOBILITY Franchised Business.

Note 16 This total amount is based upon our franchisees' experience. Your costs may vary based on a number of factors including, but not limited to, the geographic area in which you open, local market conditions, and your skills at operating a business. While we strongly recommend that you use these categories and estimates as a guide to develop your own business plan and budget, you should also independently investigate the costs of opening a business in the geographic area in which you intend to open your Franchised Business. You should also review the figures carefully with a business advisor before making any decision to purchase the franchise. Unless otherwise noted, all payments to us are non-refundable. The refundability of payments to others will depend on your arrangements with them. If you are purchasing an additional unit in a contiguous APR and may, under the terms of your Franchise Agreement, operate multiple units from a single office location, many of these expenses may not apply or may be substantially reduced, such as leasing related costs, office furniture, fixtures and equipment, signage, software license fees, licenses and permits, and other possible expenses.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To the extent that we establish specifications or designate specific suppliers for particular items, we will publish our requirements in the Manuals and will provide you with written specifications for the suppliers that we have approved. We may, at any time, in our discretion, change, delete, or add to our specifications or quality standards.

Supplies, Equipment and Services, and Vehicles

You may offer in your Franchised Business only the mobility and accessibility related equipment and services that we have approved in writing, and you may only use in your Franchised Business the types of vehicles (including vehicle wraps) that we have approved in writing.

We have the right to require that supplies, equipment and services, and the vehicles that you purchase for use, rent, or resale in your Franchised Business (i) meet specifications that we establish periodically, (ii) be a specific brand, kind or model, (iii) be purchased only from suppliers or service providers that we have expressly approved, and/or (iv) be purchased only from a single source that we designate (which may include us or our affiliates or a buying cooperative organized by us or our affiliates).

We may change the authorized supplies, equipment and services, and vehicles at our discretion, and we may designate specific supplies, equipment and services, and vehicles as optional or mandatory. You must use all items and sources of supply that we designate as mandatory. You must comply with any terms, conditions, or other restrictions imposed by suppliers or service providers relating to the purchase or use of their products or services. You must maintain and use a sufficient inventory of supplies and equipment and a sufficient number of branded vehicles to meet the standards we prescribe. You must purchase the graphics for the vehicles from us or a vendor that we designate and must place the graphics on the vehicles in accordance with our specifications. The interior of all vehicles must be outfitted in accordance with our standards and specifications.

None of our officers own an interest in any privately-held suppliers, or a material interest in any publicly-held suppliers of the 101 MOBILITY franchise system. Occasionally, our officers may own non-material interests in publicly-held companies that may be suppliers to our franchise system.

Computer Systems

You must purchase your initial computer hardware from us, through the Technology Package Fee. You may purchase your wireless printer, per our specifications, and QuickBooks Pro from any third party supplier. You must, however, license our proprietary MOBILINK software from us. We are also your designated email address account supplier. In addition, we require that you use certain third party lead management, presentation, and electronic signature software.

Branded Signage, Materials, and Supplies

You must purchase your 101 MOBILITY branded signage and materials from sources we designate or approve in advance. This includes interior and exterior office signage, uniforms, vehicle wraps (as described above), advertising and other printed promotional materials, and any other items that bear the 101 MOBILITY trademarks.

Call Center Program

We may require you to participate in our Call Center Program, however, currently, participation in this program is voluntary for System franchisees. Participation in the program may include, without limitation, using and publishing a telephone number we designate, engaging a designated service provider (which may be us, our affiliate, or a third party) to answer calls, set customer appointments, and provide other related services, acquiring, installing and using related technology, and using our designated service providers. You agree to pay all reasonable fees imposed by the service provider for these services and to enter into any user or service agreements required.

Supplier Approval Process

If you would like to (i) offer services or products that we have not approved, (ii) use any supplies, equipment, vehicle, or services that we have not approved, or (iii) purchase from a supplier or service provider that we have not approved, you must submit a written request for approval and provide us with any information that we request. We have the right to inspect the proposed supplier's facilities, test samples of the proposed items, and evaluate the proposed service provider and the proposed service offerings. You agree to pay us a charge not to exceed the reasonable cost of the inspection and our actual cost of testing the proposed item or evaluating the proposed service or service provider, including personnel and travel costs, whether or not the item, service, supplier, or service provider is approved. We have the right to grant, deny, or revoke approval of items, services, suppliers, or service providers based solely on our judgment and we currently do not publish our criteria for granting approvals. We will notify you in writing of our decision as soon as practicable following our evaluation. If you do not receive our approval within 60 days after submitting all of the information that we request, our failure to respond will be deemed a disapproval of the request.

We reserve the right to re-inspect the facilities and products of any approved supplier and to reevaluate the services provided by any service provider and to revoke approval of the product, service, supplier, or service provider if any fail to meet any of our then-current criteria. If you receive a notice of revocation of approval, you agree to cease purchasing the formerly-approved item or service or any products or services from the formerly-approved supplier or service provider and you must dispose of your remaining inventory of the formerly-approved items and services as we direct.

Maintenance and Upgrades of Vehicles

You are responsible for maintaining and repairing all vehicles used in connection with the Franchised Business at your own expense. You must regularly service your vehicles and must keep each vehicle in the highest degree of cleanliness, orderliness, sanitation, and repair. You may not make any material alteration, addition, replacement, or improvement to your vehicles—including alterations to fixtures, furnishings, signs, and equipment—without our prior written consent. If we require you to upgrade, add to, or stop

using any vehicle, we will provide you with written notice of any additional or replacement vehicles that you must purchase. If a vehicle is more than five years old, we may require you to replace it.

Business Office with Storage Facility

You must maintain a business office within your APR, which will include sufficient storage or warehouse space to meet your Franchised Business's needs. If you purchase and operate more than one APR, we may, at our sole discretion, allow you to operate from a reduced number of business offices.

You must provide us with written notice if you wish to change the address of your office. Prior to entering into any lease, you must submit to us the proposed site lease and any information about the site that we request for our approval. We have the right to require your lease to include any provisions that we may reasonably require, which we may specify in the Manuals or otherwise in writing. If we grant written approval of your lease, you must deliver to us the completely signed lease within 10 days after it is signed. Your office must be fitted-out and constructed in accordance with plans approved by us. We will not supply such plans, but will review them after they are submitted to us for approval, and will inform you of any changes we believe appropriate. We reserve the right to require you to update your office periodically to meet our then-current standards, but in no event more frequently than once every three years.

Insurance

You must maintain at your expense the types of insurance and the minimum policy limits specified in the Manuals and our written directives. The insurance must be underwritten by insurers licensed and admitted to write coverage in the state in which the Franchised Business is located and with a rating of "A" or better. The insurance policy or policies must protect you, us, and our affiliates, and our and our affiliates' respective, past, present, and future officers, directors, owners, members, managers, employees, consultants, attorneys, and agents against any loss, liability, personal injury, death, property damage, or expense whatsoever arising out of or occurring upon or in connection with the condition, operation, management, use, or occupancy of your Franchised Business as well as any vehicles used in the Franchised Business.

We, our affiliates, and other parties we designate must be named as additional insureds on a primary non-contributory basis under each policy, except for policies required by statute in your jurisdiction, including, but not limited to, workers' compensation and employer's liability insurance policies. You and your insurers must also waive rights of subrogation against us. We may require additional types of coverage or increase the required minimum amount of coverage upon reasonable notice. Your obligation to obtain coverage is not limited in any way by insurance that we maintain. Upon our request or as specified in the Manuals, you must provide us with certificates of insurance evidencing the required coverage. Your insurer(s) must commit not to cancel or amend the policy or policies without at least 30 days' prior written notice to us. If you fail to obtain and maintain insurance coverage as required by your Franchise Agreement, we have the right, but not the obligation, to obtain the required insurance on your behalf and to charge you for the cost of the insurance plus a reasonable fee for our services in procuring the insurance.

Revenue Derived from Franchisee Purchases and Leases

We will derive revenue from franchisee purchases and leases to the extent that franchisees purchase products or services from us or our affiliates. During our fiscal year ending December 31, 2018, we received \$141,809 in revenues from franchisee purchases, which represents 2.8% of our total annual revenues of \$5,088,685. During its fiscal year ending December 31, 2018, APD derived \$3,373,700 from franchisee purchases.

We receive rebates from select equipment suppliers ranging from 3% to 18% of System purchases. While we currently elect to pass through the majority of any rebates we receive to the franchisees who are responsible for the purchases, this pass through is made at our discretion as all rebate amounts belong to

and are income to us and we reserve the contractual right to retain and use any rebates or other payments we receive from suppliers as we deem appropriate

Estimated Proportion of Required Purchases and Leases to all Purchases and Leases

We estimate that 90% of your purchases and leases in establishing your Franchised Business and approximately 90% of your total annual ongoing purchases and leases in operating the Franchised Business will be for goods and services which are subject to sourcing restrictions (that is, for which suppliers must be approved by us, or which must meet our standards or specifications)

Description of Purchasing Cooperatives, Purchasing Arrangements

Presently there are no purchasing or distribution cooperatives in existence for the franchise system. We have, however, negotiated franchisee pricing directly with manufacturers which is provided to franchisees as discounts to list pricing.

We do not provide any material benefits to franchisees (for example, renewal or granting additional franchises) based upon their purchase of particular products or services or use of particular suppliers.

**ITEM 9
FRANCHISEE'S OBLIGATIONS**

This table lists your principal obligations under the franchise 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.

Obligations	Section in Franchise Agreement	Disclosure Document Item
a Site selection and acquisition/lease	Sections 5.7, 7.6	Items 7, 11, and 12
b Pre-opening purchases/leases	Sections 5.2, 5.3, 5.5, 5.7, 5.11(c) and 5.16	Items 6, 7, 8 and 11
c Site development and other pre-opening requirements	Sections 5.1(b), 5.3, 5.5, 5.7, 5.8(a), 5.11(c) and 5.14 and 5.16	Items 7 and 11
d Initial and ongoing training	Sections 5.8 and 5.12	Items 6, 7 and 11
e Opening	Section 5.1(b)	Items 5, 6 and 11
f Fees	Section 3	Items 5, 6, 7 and 11
g Compliance with standards and policies/Operations Manual	Sections 5.2, 5.3, 5.4, 5.5, 5.6, 5.11, 5.15, and 5.30	Items 7, 8, 11, 13, 14, 15 and 16
h Trademarks and proprietary information	Sections 5.11, 5.17 and 5.19	Items 13, 14 and 17
i Restrictions on products/services offered	Sections 5.2, 5.5, 5.6 and 5.9	Items 8 and 16
j Warranty and customer service requirements	Section 5.9	Items 8 and 16
k Territory development and sales quotas	Sections 1.5 and 5.1(a)	Items 5 and 12
l Ongoing product/service purchases	Sections 5.2, 5.3, 5.4 and 5.5	Items 8 and 16

Obligations	Section in Franchise Agreement	Disclosure Document Item
m Maintenance, appearance and remodeling requirements	Sections 5 4 and 5 7	Items 7, 8 and 11
n Insurance	Section 5 16	Items 7 and 8
o Advertising	Sections 3 3, 3 4 and 5 11	Items 6, 7, 8 and 11
p Indemnification	Section 5 26	Item 6
q Owner's participation/management/staffing	Section 5 1(a), 5 12 and 5 13	Items 11 and 15
r Records and reports	Sections 5 10(a), 5 10(b), 5 21, 5 22, 5 23, 5 24 and 5 25	Items 6 and 17
s Inspections and audits	Sections 5 24 and 5 25	Items 6 and 11
t Transfer	Section 5 28	Items 6 and 17
u Renewal	Section 2 2	Item 17
v Post-termination obligations	Sections 5 27 and 7	Item 17
w Non-competition covenants	Section 5 27	Item 17
x Dispute resolution	Section 8	Item 17
y Guaranty	Section 5 31	Item 15

ITEM 10 FINANCING

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

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

Except as listed below, 101 Mobility Franchise Systems, LLC is not required to provide you with any assistance

Pre-Opening Obligations Before you begin operating your Franchised Business

- 1 We will designate your APR (Franchise Agreement, Recital C)
- 2 In connection with your first Franchised Business, we will provide initial training in the System, our proprietary MOBILINK software, and our policies and procedures to you, your owners (if you are a business entity), and your Operating Principal (Franchise Agreement, Section 4 2)
- 3 We will advise you on your initial orders of equipment and supplies and as to the establishment of business relationships with approved suppliers (Franchise Agreement, Section 4 3)
- 4 We will loan you one copy of our Manuals (Franchise Agreement, Section 4 1) The Table of Contents of the Manuals is attached to this disclosure document as Exhibit F Our Manuals contain a total of 278 pages

- 5 We will provide you with access to our proprietary MOBILINK software (Franchise Agreement, Section 5 14)
- 6 We will provide you with a template for your initial launch advertising plan We will review and, in our sole discretion, approve or disapprove your modifications to the initial launch advertising plan template (Franchise Agreement, Sections 4 8 and 5 11(c))

Continuing Obligations During the operation of your Franchised Business

- 1 From time to time, and as we deem appropriate, we will provide you with ongoing technical, managerial, and administrative advice and guidance by telephone, email, and other forms of communication (Franchise Agreement, Section 4 4)
- 2 We will communicate to you information about our designated and approved suppliers (Franchise Agreement, Section 4 6)
- 3 We will review your requests for approval of any advertising or promotional programs or materials you wish to use or produce (Franchise Agreement, Section 5 11(a))

Advertising

You must obtain our prior written approval before using or reproducing any advertising or promotion materials, regardless of the media for which they are intended If any of your advertising is in media that will or may reach a significant number of persons outside of your APR, you must notify us in advance and obtain our consent You must conduct all advertising in a dignified manner and in conformity with the standards and requirements we specify in the Manuals We will have the final decision on all creative development of advertising and promotional messages If our written approval is not received within 10 business days from the date we received the material, the material is deemed disapproved We reserve the right to require you to discontinue the use of any advertising or marketing materials

We may periodically formulate, develop, produce, and conduct, at our sole discretion, advertising or promotional programs in such form and media as we determine to be most effective, and make available to you for purchase certain advertising and promotional materials we have developed

To date, our media advertising has consisted primarily of advertising on the 101 MOBILITY website and in various trade publications Initially, we expect any advertising for franchisees to be via the Internet, direct mail, newspapers, and otherwise in print and focused on local markets We may, however, also use radio or television advertisements Our advertising may be local, regional, or national in scope We may employ a local, regional, or national advertising agency to produce advertising or may produce the advertisements in-house We are not obligated to conduct any advertising or marketing programs within your APR

Marketing Fee

We do not require that you contribute to an advertising fund As described in Item 6; however, we may impose and collect up to 4% of Gross Sales as a Marketing Fee which compensates us for certain marketing and promotional activities such as the creation and production of promotional materials Currently, however, we collect only 1 25% of Gross Sales per week up to \$12,000 per year, plus \$350 per month, where the total of both each month does not exceed 4% of Gross Sales We have the right to direct all marketing programs, with the final decision over creative concepts, materials, and media used in the programs and their placement While we have no contractual obligation to do so, it is our intent to spend Marketing Fee monies, or an equivalent amount, on regional and national brand development We do not guarantee that you will benefit from the Marketing Fee in proportion to your Marketing Fee payments

Marketing Fee monies will not be held in a trust or escrow account, nor do we have any contractual obligation to account for Marketing Fee monies separately, and we will not have any fiduciary obligations to you with respect to the Marketing Fee We will determine the use of the Marketing Fee monies and we

need not provide you with a periodic accounting on how Marketing Fee monies are spent. Marketing Fee monies are general operating funds and we may spend such monies as we deem appropriate. We will not be required to spend any particular amount on marketing, advertising, or promotion in your Franchised Business's APR, nor any pro rata amount based upon your Marketing Fee payment. To date, we have not used Marketing Fee amounts principally to solicit new franchise sales.

Initial Marketing Fee

At the time you sign your Franchise Agreement, you will pay us a \$5,000 Initial Marketing Fee for the cost of creating your Internet mini-site, or landing page, on our main website, as well as certain other marketing related activities we assist you with, for example, establishing certain select social media accounts, such as Google+, Yelp, and Angie's List accounts, and setting up designated pay per click accounts. We also provide you with a start-up marketing kit which includes, among other items, an initial inventory of branded folders, pens, brochures, and sell sheets. We currently waive the Initial Marketing Fee for franchisees converting an existing business to a 101 MOBILITY Franchised Business.

Initial Launch Advertising

In connection with the opening of your Franchised Business, and in addition to the payment of the Initial Marketing Fee, you must spend between \$4,000 and \$6,000, as we designate, for initial launch advertising for the period beginning the two weeks prior to the opening of your Franchised Business through your four initial months of operation. We will provide you with an initial launch advertising plan template, which you may modify, however, we have the right to approve or disapprove your modifications, in our sole discretion. You must provide us with supporting documentation evidencing these expenditures upon request. We may require you to pay us rather than third parties to implement your initial launch advertising program on your behalf. Currently, our initial launch advertising plan requires you to fund Google ad, Bing ad, and other designated online ad campaigns we direct. With respect to these campaigns we do require that you pay us directly, though we do not begin collecting these amounts until after your Franchised Business is open. This estimate does not include the ongoing Marketing Fees that you must pay to us as described above.

Local Marketing

During the term of the Franchise Agreement, we may require that you spend up to 2% of Gross Sales per month on approved marketing, advertising, and promotional activities in your APR. This amount is in addition to the Initial Marketing Fee and Initial Launch Advertising expenditure amounts. We may also require that you provide us with an advanced copy of your pending marketing campaign and budget for our review and approval, and such documentation we deem necessary to confirm the required expenditures have been made.

Websites

You are not authorized to have a website, blog, or social media site for your Franchised Business, to register any domain names related to the 101 MOBILITY concept, or to have a webpage related to your Franchised Business on any third party website. We may, but are not obligated to, establish and maintain from time to time a 101 MOBILITY website to provide information about the System and the goods and services that 101 MOBILITY businesses provide. You must, upon our request, provide us with promotional materials or information relating to your Franchised Business for us to include on our website.

Marketing Cooperatives

We currently do not have any marketing cooperatives and have no plans to form marketing cooperatives in the immediate future. If marketing cooperatives are formed, we will retain the right to change, dissolve or merge any such cooperative, in our sole discretion. As of the date of this disclosure document we have not established any marketing cooperative, however, when applicable, the terms of the Franchise Agreement require you to participate in any such marketing cooperative as directed by us.

Franchisee Advisory Council

We have established an advisory council composed of all franchisees in the system who are in good standing ("Franchisee Advisory Council"). The Franchisee Advisory Council serves in an advisory capacity only and has no operational or decision-making power. We have the power to form, change, or dissolve the Franchisee Advisory Council.

Office Location Selection and Franchised Business Opening

When you sign your Franchise Agreement, we will agree on an APR within which you must locate your combination business office and storage or warehouse space. If you purchase and operate more than one APR, we may, at our sole discretion, allow you to operate from a reduced number of business offices.

For each proposed space you identify, you must deliver to us a copy of the proposed lease and any information about the site we may reasonably request to perform our evaluation. We typically approve or refuse to approve a proposed space within 30 days of receiving all requested information. The criteria that we use to evaluate the space include general location, storage size, physical characteristics of existing buildings, and lease terms. We have the right to require that your lease include certain provisions we may reasonably require.

A 101 MOBILITY Franchised Business usually opens for business within 60 days after the Franchise Agreement is signed. Factors which may affect the length of time between signing of the Franchise Agreement and opening for business include the time necessary to locate a space we will accept, to obtain any financing you need, to obtain required government licenses and permits, to complete any required construction or remodeling of the business office and storage space, to complete our initial training program, and to complete the hiring and training of personnel, if any.

If you fail to open the Franchised Business within 90 days of signing your Franchise Agreement, we can terminate the Franchise Agreement.

Computer Systems and Communications Links

You must purchase, install, maintain, and use the computer hardware, software, on-line services, and communication links that we specify periodically.

Our current computer hardware and network requirements include that you own an iPad Pro and Microsoft Surface Go, and as provided to you through our Technology Package Fee, a wireless printer in accordance with our specifications, and a landline business telephone that is listed in the telephone directories we prescribe. We estimate that these items will cost you \$3,730, which includes our Technology Package Fee of \$3,000. As part of your inventory control systems, you must purchase the bar code scanning equipment we designate at a current cost of \$500.

You must use the System's proprietary MOBILINK software in connection with the operation of your Franchised Business, which we license to you through our Software License Agreement included in this disclosure document as Attachment B to the Franchise Agreement. For access to the MOBILINK software, you must pay us the Initial Software License Fee of \$3,500 and the ongoing Monthly Software License Fee, currently \$99 per month, which we may increase by up to 10% in any calendar year. Currently, we do not impose an Initial Software License Fee or Monthly Software License Fee or any additional APRs you operate. The MOBILINK software provides assistance with the management of client leads and data, sales records and documentation, inventory control, marketing efforts, administrative matters, and customer service for you and your employees and serves as a comprehensive business management software for your Franchised Business. We or our affiliates will provide support for the MOBILINK software. You must also purchase and use QuickBooks Pro accounting software for your bookkeeping and accounting, which is compatible with our accounting systems. QuickBooks Pro is available from outside vendors for approximately \$140. We do require that you complete our designated third party training program for QuickBooks Pro before the Franchised Business opens. The training is offered online at a current cost of

\$400 In addition, you must use third party lead management software which is currently \$60 per month per user, presentation software, currently \$18 per month, and electronic signature platform, currently \$30 per month for up to three users

You must maintain your computer system at your expense and must replace, upgrade, or update the hardware and software components of your computer system as we may require periodically You must install any other hardware or software for the operation of the Franchised Business that we may require in the future, including any enhancements, additions, substitutions, modifications, and upgrades There is no contractual limitation on the frequency or cost of these obligations We may also require you to license from us, or others we designate, any computer software we develop or acquire for use by 101 MOBILITY Franchised Businesses We will establish reasonable deadlines for implementation of any changes to our computer system requirements We do not currently require that you enter into any maintenance, updating, upgrading, or support contracts for your computer systems, but we recommend that you do so The vendor or supplier of the hardware components would typically provide such ongoing maintenance, updating, upgrading, or support services, the cost of which varies by vendor

We will have, or you must grant us, unrestricted access to your computer systems and software There are no contractual limitations on our right to access, collect, and use the data and information relating to your Franchised Business You must permit us to independently download and transfer data via any connection we designate and must not, at any time, restrict our access to your computer systems There are no contractual limitations on our right to access, collect, and use the data stored in your computer system

Initial Training Program

You or your owners (if you are an entity) and your Operating Principal must attend and satisfactorily complete our franchisee initial training program ("Initial Training") within 90 days after executing the Franchise Agreement You may not begin to operate the Franchised Business until you or your owners (if you are an entity) and your Operating Principal have satisfactorily completed our Initial Training We will provide instructors, facilities, and materials at no charge, provided that all of your trainees are trained during the same session We reserve the right to charge a reasonable fee for training individuals who are repeating the course or replacing a person who did not pass and for subsequent Operating Principals who attend the course You are responsible for any travel expenses, living expenses, wages, and other expenses incurred by your trainees

Initial Training includes approximately ten days of training which will cover the management, sales, and operation of your Franchised Business Five of the ten-day training program will cover product knowledge and installation techniques for various products, with the remaining five days focusing on sales, operations, marketing, and management best practices After you sign your Franchise Agreement you will first complete our onboarding process and eLearning course Our eLearning course consists of approximately three hours of online introductory materials to our proprietary MOBILINK software, system products, franchise operations, pre-opening procedures, sales, and office procedures You will also complete third-party online courses focused on managing and understanding business costs, margins, and financial statements, mastering accounting basics and accounting software training, and the OSHA 10 training program Once complete, we will schedule and provide you with our Initial Training program as soon as practicable We provide Initial Training once per month on a set schedule, though we may elect to limit class sizes We do not grade your training, however, you and your attendees must complete training to our satisfaction

Our Initial Training program is described in the following chart

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
APD and Ordering Process	1	-	Wilmington, North Carolina
Franchise Reporting Requirements/Accounting	15	1	Wilmington, North Carolina
Installation Procedures	32	-	Wilmington, North Carolina
Instruction on Proprietary Operating System	8	12	Wilmington, North Carolina
Launch Expectations	1	-	Wilmington, North Carolina
Management Procedures	3	-	Wilmington, North Carolina
Marketing	4	-	Wilmington, North Carolina
Operations	8	10	Wilmington, North Carolina
Product Knowledge	8	-	Wilmington, North Carolina
Sales Procedures	105	30	Wilmington, North Carolina
Services Provided to 101 Mobility Franchisees (Vendor Information and Programs)	3	-	Wilmington, North Carolina
TOTAL	80	53	

The hours listed in the table above are subject to change depending on your background and progress during training. We use the Manuals, PowerPoint presentations, handouts, whiteboards, tests, and demonstrations as instructional materials in our training programs. Tamara Cunningham and Kenneth Mitch Gower oversee and instruct our initial training program. Ms. Cunningham has been with us and in the industry since November 2011. Mr. Gower oversees our product and installation training. His experience with mobility and accessibility products and related installation, as well as with us, dates back to October 2010. Ms. Cunningham and Mr. Gower oversee a training team which includes an instructor with five years' experience related to ADP ramps, an instructor with 43 years' experience in the accounting field, an instructor with two years' experience in the marketing field, and two instructors with four years' and 10 years' experience, respectively in business development related to 101 MOBILITY businesses.

Additional Training

We may periodically conduct additional training programs for you, your owners (if you are a business entity), and your Operating Principal. Additional training may be conducted at our office or another location that we designate and may be mandatory or optional. We consider our annual conference to be mandatory additional training. We may charge a reasonable fee for these additional training programs and you will be responsible for the travel expenses, living expenses, wages, and other expenses incurred by your trainees.

Additional Assistance

If you request, and we agree, to provide you with in-person assistance, or we require that you receive certain in-person additional assistance, you will pay us a Consulting Fee, currently \$300 per trainer per day, and our trainer's travel, lodging, and dining costs

ITEM 12 TERRITORY

Your franchise will be granted for a specific APR that we approve. A typical APR will be identified by ZIP Codes and may consist of several counties or possibly an entire metropolitan area. We may approve APRs that include small to mid-sized cities and less densely populated areas with a minimum population of 350,000 as well as APRs which include more urban and densely populated areas of up to 1,000,000 in population.

Your APR has limited territorial protection. Except as otherwise provided in this disclosure document and, in particular, with respect to National Accounts, while your Franchise Agreement is in effect, we will not operate a 101 MOBILITY business, or license to anyone other than you the right to operate a 101 MOBILITY business, that provides services or installs or delivers equipment at locations within your APR. We have the right to terminate your limited territorial protection only under the following two circumstances: 1) if your annual Gross Sales from sales inside your APR do not exceed at least \$300,000 during your third through fifth years in operation, 2) if your annual Gross Sales from sales inside your APR do not exceed at least \$500,000 during your sixth and subsequent years in operation, and 3) if you do not make and document in our MOBILINK software at least 30 sales calls inside your APR per quarter, or, in the alternative, at least 30% of Gross Sales from inside your APR per quarter have not originated from sources other than those referred to you from us—including VA hospital-related sales or Internet or phone leads we forward to you. We may adjust the number of sales calls and the percent of completed sales to be originated from unrelated sources on written notice to you. There are no other circumstances under which we have the right to modify your territorial rights.

Your business office and warehouse space must be located in your APR. You must provide us with written notice if you wish to change the address of your office.

Except as described above, we and our affiliates may engage in any business activities, under any name, in any geographic area, and at any location, regardless of the proximity to or effect on your APR or Franchised Business. For example, we and our affiliates have the right: (a) to advertise or authorize others to advertise anywhere, using the Marks, (b) to establish or license businesses under the Marks, at any location outside of your APR, (c) to sell or license others to sell, equipment and services through alternative distribution channels, including via the Internet, wholesale channels, and independent third party retailers, using the Marks or under names and symbols other than the Marks, and (d) if we purchase, acquire, are acquired by, or merge with other companies, to continue to operate, franchise, or license the acquired business anywhere, including in the APR, under the Marks or a different trademark. We are not required to compensate you for soliciting or accepting orders from inside your APR.

You will not receive an exclusive territory. You may face competition from other franchisees or company-owned businesses adjacent to your APR or from other channels of distribution or competitive brands that we control.

You do not have the right to open additional Franchised Businesses nor do you have any rights of first refusal on any other APR. You may not directly solicit or sell mobility and accessibility related products or services outside of your APR without our prior written consent, which may be withheld. "Direct solicitation" includes, but is not limited to, solicitation in person, by telephone, mail, email, and distribution of brochures, business cards, or other materials. If we consent to you making sales outside of your APR, you must immediately cease doing so if we subsequently withdraw our consent. If we permit you to operate in an unassigned APR, when we grant a 101 MOBILITY franchise for the unassigned APR to another party,

you must immediately stop soliciting customers in the formerly unassigned APR, but you may continue servicing existing customers in the APR with respect to existing sales orders or contracts. You must provide us with all information relating customers in the formerly unassigned APR, which we will provide to the new franchisee. Your Gross Sales from sales outside of your APR in any calendar year must not exceed 10% of your total Gross Sales during that calendar year.

We may, but are not obligated to, negotiate and enter into national or regional account or referral arrangements with certain customers or third parties ("National Accounts"). We have complete discretion regarding whether to designate a particular customer or third party arrangement as a National Account, as well as the terms and conditions of the National Account agreement and the division of National Account business. We may designate any of your current or prospective customers or third party arrangements as National Accounts without paying you any compensation. If we establish a National Accounts program, we will have complete discretion in determining who will service the National Account, even if sales from servicing the National Account result in sales inside your APR. We may, but are not obligated, to give you the option to service National Account customers. If we offer you this opportunity, however, and you elect to participate, you will service the National Account in accordance with the pricing and other terms that we have negotiated and any rules that we have prescribed, which we reserve the right to modify periodically. You may elect not to participate in any National Account by providing us notice of your election within five days of your receipt of our notice to you of an available National Account. You may end your participation in a National Account program by giving us at least 30 days' prior written notice. If we terminate your participation in a National Account program, which we reserve the right to do for any or no reason, or if you decline to service a National Account customer or fail to satisfy the conditions and obligations of any National Account, we may provide the services ourselves in your APR, or we may grant servicing rights in your APR to another franchisee or to a third party. If you are subsequently willing and able to provide service within your APR, we will have no obligation to re-admit you to the program or to transfer or refer any National Account customer to you. You may not enter into conflicting arrangements with National Accounts. To the extent that we receive payment directly from a National Account customer, we will deduct from the payment the amount of all fees and other payments that you owe to us, and remit the balance to you within a reasonable period of time.

Currently, VA hospital sales, among other accounts, are designated as sales under a National Account program. It is also our current policy to grant franchisees the first right to provide services and equipment to National Account customers that are physically located within their APR.

ITEM 13 TRADEMARKS

The principal trademark that you will use as our franchisee is the 101 MOBILITY name and logo. We may also authorize you to use other marks periodically. You may only use in your Franchised Business the Marks we designate, and only in compliance with written rules that we prescribe periodically.

Our affiliate, IP Licensor owns and has registered the following trademarks on the Principal Register of the United States Patent and Trademark Office (the "USPTO")

Mark	Registration No	Registration Date
 (stylized design)	3,701,393	October 27, 2009
101 MOBILITY (standard characters)	4,425,001	October 29, 2013
101 MOBILITY (standard characters)	4,524,872	May 6, 2014

Mark	Registration No	Registration Date
 (stylized design)	4,524,874	May 6, 2014
MOBILINK (standard characters)	4,595,559	June 17, 2014
EXPERTS IN MOBILITY AND ACCESSIBILITY SOLUTIONS	5,319,078	October 24, 2017

IP Licensor has certain legal rights granted by these federal registrations, however, if our right to use any Mark is challenged, we may require you to change to an alternative mark, which may increase your expenses

There are no currently effective material determinations of the USPTO, Trademark Trial and Appeal Board, the trademark administrator of any state, or any court involving the Marks. We know of no pending infringement, opposition, or cancellation proceedings or material litigation involving the Marks. IP Licensor has filed all required affidavits.

Through an intercompany license agreement between ourselves and IP Licensor, dated March 1, 2010, we have been granted the perpetual right to use and sublicense the above-listed Marks for the benefit of the franchise system. The agreement may only be terminated should we breach the agreement and not cure such breach within 30 days after receipt of notice, or upon our insolvency or dissolution, or the filing of a petition for bankruptcy.

Except for the license agreement with IP Licensor, there are no agreements currently in effect which significantly limit our right to use the Marks. We are aware of no superior rights or infringing uses that could materially affect the use of the Marks in any state.

You must use the Marks in full compliance with the provisions of the Franchise Agreement and according to the rules we periodically prescribe. You may not use any Mark, or any part of any Mark, as a part of your corporate name. Nor may you use any Mark with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than the logos we license to you). You may not use the Marks in connection with the offer or sale of any unauthorized products or services or in any other manner not explicitly authorized in writing by us.

You may not use the Marks, any recognizable portion of the Marks, or any of the Copyrighted Material on the Internet, in any electronic or digital form, or on or through any electronic or digital medium, unless expressly permitted by us in writing. Also, you may not establish or maintain any recognizable portion of the Marks, or terms that may suggest an affiliation with us, for use or display as all or part of an e-mail address, Internet domain name, uniform resource locator ("URL"), or meta-tag, or in connection with any Internet home page, web site, or any other Internet-related activity without our express written consent, and then only in accordance with our procedures, standards, and specifications. This prohibition also includes the use or registration of the Marks, or any derivative of the Marks, as a part of any user name, account, or in any other way that may suggest an affiliation with us or the franchise system, on any gaming, blogging, user review, video sharing, or social networking website, or as part of any unauthorized email address.

If there is any infringement of, or challenge to, your use of any name, mark, or symbol, you must immediately notify us, and we may take any action that we deem appropriate, in our sole discretion. The Franchise Agreement does not require us to take affirmative action if notified of the claim. We have the right, but no contractual obligation, to initiate, direct, defend you against, and control any litigation or administrative proceeding relating to the Marks, including, but not limited to, any settlement. We and IP

Licensor will be entitled to retain any and all proceeds, damages, and other sums, including attorneys' fees, recovered or owed to us or our affiliates in connection with any such action. You must execute all documents and render any other assistance we or IP Licensor may deem necessary to any such proceeding or any effort to maintain the continued validity and enforceability of the Marks.

We have the right, upon reasonable notice, to change, discontinue, or substitute any of the Marks and to adopt new Marks for use with the System without any liability to you. You must implement any of these changes at your own expense within the time we reasonably specify.

ITEM 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

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

There are no registered copyrights material to the franchise, but we and IP Licensor claim copyright protection in many elements of the System, including the design elements of the Marks, advertising materials, marketing materials, training materials, signs, the content and design of our website, the Manuals, the MOBILINK Software, as well as other materials we, IP Licensor, or our franchisees may periodically develop ("Copyrighted Material").

To the extent that IP Licensor claims ownership in any of the Copyrighted Material, we have been granted the perpetual right to use and sublicense the Copyrighted Material for the benefit of the franchise system. The agreement may only be terminated should we breach the agreement and not cure such breach within 30 days after receipt of notice, or upon our insolvency or dissolution, or the filing of a petition for bankruptcy.

There are no determinations of the United States Copyright Office or any court regarding any of our Copyrighted Material. Except for the license agreement with IP Licensor, there are no agreements limiting the use of any of the System Copyrighted Material. We have no obligation to protect any rights you have to use the Copyrighted Works. We have no actual knowledge of any infringements that could materially affect the ownership, use, or licensing of the Copyrighted Material. You may only use the Copyrighted Material in the manner we specify. You may not use any of the Copyrighted Material on the Internet without our written permission. This includes display of the Copyrighted Material on commercial websites, gaming websites, and social networking web sites.

Any Copyrighted Material used by you in connection with your Franchised Business belong solely to us or IP Licensor. If there is any infringement of, or challenge to, your use of any Copyrighted Material you must immediately notify us, and we may take any action that we deem appropriate, in our sole discretion. The Franchise Agreement does not require us to take affirmative action if notified of the claim. We have the right, but no contractual obligation, to initiate, direct, defend you against, and control any litigation or administrative proceeding relating to the copyrights, including, but not limited to, any settlement. We and IP Licensor will be entitled to retain any and all proceeds, damages, and other sums, including attorneys' fees, recovered or owed to us or our affiliates in connection with any such action. You must execute all documents and render any other assistance we or IP Licensor may deem necessary to any such proceeding or any effort to maintain the continued validity and enforceability of the copyrights. If we request, you must discontinue the use of the subject matter covered by any Copyrighted Material. You must cooperate with any requests for assistance in defense of any claim related to the Copyrighted Material. We have no obligation to indemnify you from such claims.

During the term of your Franchise Agreement, we will disclose in confidence to you, either orally or in writing, certain "Confidential Information" which includes all trade secrets, and other elements of the System, all customer information, all information contained in the Manuals, financial information, marketing data, vendor and supplier information, standards and specifications, and all other knowledge, trade secrets, or know-how concerning or relating to the System, our business, or the establishment, construction, management, operation, or promotion of Franchised Businesses. You may not, nor may you

permit any person to, use or disclose any Confidential Information (including without limitation all or any portion of the Manuals) to any other person, except to the extent necessary for your professional advisors and employees to perform their functions in the operation of the Franchised Business. You will be liable to us for any unauthorized use or disclosure of Confidential Information by any of your employees or any other person to whom you disclose Confidential Information. You must take reasonable precautions to protect the Confidential Information from unauthorized use or disclosure and must implement any systems, procedures, or programs that we require. You must require anyone who may have access to the Confidential Information to sign a non-disclosure agreement in a form satisfactory to us that identifies us as a third party beneficiary of the covenants with the independent right to enforce the agreement. Our current form of nondisclosure agreement appears in Exhibit D to this disclosure document.

If you or any of your owners develops any new concept, product, service, sales technique, or improvement in the operation or promotion of the Franchised Business (including any computer software enhancements), you must promptly notify us, and provide to us all necessary related information. Any and all such improvements to the System, the Services, or the Equipment that you develop (whether or not consented to) will automatically become our property without any compensation to you. If such improvements may be protected by trademark, copyright, patent, trade secret, or other laws, then you must execute documents that we may require to prove ownership of such improvements, to transfer ownership thereof to us, and to file related registrations or recordings. By signing the Franchise Agreement, you and each principal assign to us your respective rights in and to new or further developed concept, product, sales technique or improvement and permit us to use or disclose the information to other System franchisees as we determine appropriate, without providing you any compensation.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You must appoint an individual owner as your Operating Principal. Any individual with any equity interest in you may be eligible to become your Operating Principal. The Operating Principal must complete our initial training program, must have authority over all business decisions related to your Franchised Business, and must have the power to bind you in all dealings with us. They must also exert full-time best efforts in the operation of the Franchised Business and must, at all times, supervise directly from the premises, the operation of your Franchised Business. You may not change the Operating Principal without our prior approval.

Each entity and individual with direct or indirect ownership interest in your entity must sign the Payment and Performance Guarantee (the "Guarantee") attached to the Franchise Agreement, assuming and agreeing to discharge all obligations of the franchisee under the Franchise Agreement as if they were the franchisee in the agreement, including the confidentiality and noncompete provisions. We may also require your employees to enter into noncompete agreements in a form that we prescribe.

ITEM 16

RESTRICTIONS ON WHAT FRANCHISEE MAY SELL

In your Franchised Business, you may offer and provide for sale or rent only the equipment that we have approved in writing. You may also only provide those services we have approved in writing. We have the right to add, modify or discontinue the authorized equipment and services at our discretion, without limitation, and we may designate specific equipment or services as optional or mandatory. You must offer all equipment and services that we designate as mandatory. If we authorize another franchisee to offer a certain type of equipment or to offer a certain service, we are not obligated to authorize you to offer such equipment or services.

Except as otherwise described in this disclosure document, you are only authorized to offer equipment and services to customers located in your APR and where the equipment and services will be delivered in your

APR You may not directly solicit or sell mobility and accessibility related products or services outside of your APR without our prior written consent, which may be withheld "Direct solicitation" includes, but is not limited to, solicitation in person, by telephone, mail, email, and distribution of brochures, business cards, or other materials

We may, but are not obligated to, negotiate and enter into national or regional account or referral arrangements with certain customers or third parties ("National Accounts") We have complete discretion regarding whether to designate a particular customer or third party arrangement as a National Account, as well as the terms and conditions of the National Account agreement and the division of National Account business We may designate any of your current or prospective customers or third party arrangements as National Accounts without paying you any compensation If we establish a National Accounts program, we will have complete discretion in determining who will service the National Account, even if sales from servicing the National Account result in sales inside your APR We may, but are not obligated, to give you the option to service National Account customers If we offer you this opportunity, however, and you elect to participate, you will service the National Account in accordance with the pricing and other terms that we have negotiated and any rules that we have prescribed, which we reserve the right to modify periodically You may elect not to participate in any National Account by providing us notice of your election within five days of your receipt of our notice to you of an available National Account You may end your participation in a National Account program by giving us at least 30 days' prior written notice If we terminate your participation in a National Account program, which we reserve the right to do for any or no reason, or if you decline to service a National Account customer or fail to satisfy the conditions and obligations of any National Account, we may provide the services ourselves in your APR, or we may grant servicing rights in your APR to another franchisee or to a third party If you are subsequently willing and able to provide service within your APR, we will have no obligation to re-admit you to the program or to transfer or refer any National Account customer to you You may not enter into conflicting arrangements with National Accounts To the extent that we receive payment directly from a National Account customer, we will deduct from the payment the amount of all fees and other payments that you owe to us, and remit the balance to you within a reasonable period of time

Currently, VA hospital sales, among other accounts, are designated as sales under a National Account program It is also our current policy to grant franchisees the first right to provide services and equipment to National Account customers that are physically located within their APR

We impose no restriction on customers within your APR that you may serve at your Franchised Business However, you may not sell or offer to sell equipment or services through any wholesale, e-commerce, or other alternative channel of distribution besides the retail operation of your Franchised Business We have the right to establish maximum, minimum, or other retail pricing requirements to the extent permitted by law

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 Agreement	Summary
a Length of the franchise term	Section 2.1	Ten years from the Effective Date of your Franchise Agreement
b Renewal or extension of the term	Section 2.2	If you meet the conditions, you may enter into two renewal terms of five-years each
c Requirements for franchisee to renew or extend	Section 2.2	You have notified us of your intent to renew at least three months in advance but no more than six months in advance, you have signed our then-current form of franchise agreement, which may have materially different terms and conditions than your original Franchise Agreement, you have refurbished and upgraded your business office, storage space, and vehicle to our then-current specifications, you and your guarantors have executed a general release in favor of us and our affiliates, you have satisfied all monetary obligations owed by you to us, our affiliates, and your suppliers, you, your owners (if you are an entity), and your Operating Principal have completed our then-current training requirements, you have substantially complied with the Franchise Agreement during the term, no Event of Default (as defined in the Franchise Agreement) or event which, with the giving of notice or passage of time or both, would become an Event of Default, exists, and you have paid us the Renewal Fee
d Termination by franchisee	Not applicable	Not applicable
e Termination by franchisor without cause	Not applicable	Not applicable
f Termination by franchisor with cause	Section 6.1	We can terminate only if you default (see (g) and (h) below). In the event of the death or permanent incapacity of an owner, we may terminate if you fail to adhere to the applicable transfer requirements.
g "Cause" defined – curable defaults	Section 6.1	You have (A) the lesser of (i) 30 days and (ii) 10 days after written notice to cure the non-payment of any amounts owed to us or our affiliates or your failure to make sufficient funds available to us, (B) 24 hours to cure non-compliance with any law, regulation or ordinance which

Provision	Section in Franchise Agreement	Summary
		results in a threat to the public's health or safety, (C) the cure period allowed by any supplier to pay such supplier all non-contested obligations , and (D) 20 days to cure a failure to comply with any other provision of the Franchise Agreement not described above or in (h) below
h "Cause" defined – non-curable defaults	Section 6 1	You make a material misrepresentation to us or provide us with false or misleading information, you fail to report any Franchised Businesses in operation, you fail to permit us to inspect or audit your books and records, you fail to timely file reports three times in 12 months, you, your owners (if you are an entity), or your Operating Principal fail to satisfactorily complete Initial Training, you fail to begin operating your Franchised Business by the Opening Deadline, you suspend operations of your Franchised Business for more than five days without our consent unless we determine, in our sole discretion, that the failure was beyond your control, you misuse the Marks, you fail to meet your Annual Performance Requirement in any given year, you fail to meet your Quarterly Performance Requirement in any given quarter and do not cure your default in the next quarter, you, your Operating Principal, or other representatives fail to attend two meetings within a 12 month period, non-permitted disclosure of Confidential Information by you or your disclose, you become insolvent or bankrupt, you or any of your owners or officers or directors is convicted of a crime involving moral turpitude or consumer fraud or any other crime, offense, or act which impairs the goodwill associated with the Marks, you or any of your Owners violates the transfer provisions of the Franchise Agreement, you or any of your owners violates the noncompete covenants of the Franchise Agreement, you default under any other agreement, including any other Franchise Agreement, with us or our affiliates if the default would permit the termination of that agreement, you fail to comply with our customer service standards twice within any six-month period, including any failure to contact or attempt to contact a referred customer within the required 24-hour window and failing to maintain a 75% call answer rate on any tracked phone line over any three month rolling period, or you are in default three or more times within any 18-month period
1 Franchisee's obligations on termination/ non-renewal	Section 7	Pay all amounts due to us and our affiliates, discontinue use of the Marks, Copyrighted Material, and the System, return Confidential Information, personal data, and Manuals, refrain from disclosing Confidential Information,

Provision	Section in Franchise Agreement	Summary
		cancel assumed name registration, transfer telephone numbers, post office boxes, directory listings, and any promotional, marketing, and advertising accounts, provide us with an opportunity to purchase certain goods and to assume your lease, complete de-identification of Franchised Business, promote a separate identity, assign all customers and outstanding customer contracts to us or our designees, and comply with noncompete covenants (also see (o) and (r) below) If the Franchise Agreement terminates because you have closed the Franchised Business or because of your material default, you must pay us liquidated damages
j Assignment of contract by franchisor	Section 4 14	No restriction on our right to assign
k "Transfer" by franchisee – definition	Section 5 28(a)	Includes transfer of any interest in the Franchise Agreement, the license to use the System and the Marks, the Franchised Business or substantially all of the assets of the Franchised Business, or in you (if you are an Entity)
l Franchisor approval of transfer by franchisee	Section 5 28	We have the right to approve all transfers
m Conditions for franchisor approval of transfer	Section 5 28	First, you must offer us the right to match any third party offer, as described in (n), below All of your monetary obligations are satisfied, you are not in breach, you and your Owners sign a general release, you agree to noncompetition provisions and obligations relating to confidentiality, you remain liable for obligations incurred or arising prior to the transfer, you pay us the Transfer Fee, new franchisee agrees to discharge all of your obligations, new franchisee qualifies, meets training requirements, and signs then-current franchise agreement modified to reflect the remaining term left on your Franchise Agreement, and pays initial fees including the Initial Marketing Fee and Initial Software License Fee, you or new franchisee upgrades the Franchised Businesses to our then-current specifications, including vehicle requirements, new franchisee covenants to continue to operate under the Marks and the System, new franchisee's owners execute our then-current form of personal guarantee, we approve the terms of the sale as related to the post-sale viability of the Franchised Business, sale must include all material assets of the Franchised Business

Provision	Section in Franchise Agreement	Summary
n Franchisor's right of first refusal to acquire franchisee's business	Section 5 28(g)	We can match any offer for your Franchised Business, the Franchised Business' assets, or any ownership interest, except for certain transfers to spouses, children, or existing owners
o Franchisor's option to purchase your business	Sections 7 5 and 7 6	After the Franchise Agreement terminates or expires, we can purchase any or all of the supplies, vehicles, equipment, marketing materials, signs, and fixtures related to the operation of your Franchised Business for their then-current fair market value, less any amounts then owing to us and our affiliates. We also have the right to assume your lease for your business office and storage space
p Death or disability of franchisee	Section 5 28(f)	Executor or representative must apply for our consent to transfer your interest to a third party approved by us within 90 days and must complete the transfer within 120 days
q Non-competition covenants during the term of the franchise	Section 5 27(a)	You may not have any involvement in a business that offers products or services relating to the sale, installation or servicing of mobility or accessibility-related equipment at any location in the United States its territories or commonwealths, or any other country, province, state or geographic area in which we or our affiliates have used, sought registration of or registered the Marks or similar marks, or operate or license others the right to operate a business under the Marks or similar marks by any means including, without limitation, sales via the Internet or catalogs ("Competitive Business"), no diverting customers or potential customers to any Competitive Business, no acts injurious to our goodwill, no employment or soliciting for employment individuals employed during the past 12 months by us, our affiliates, our franchisees, or any Franchised Business
r Non-competition covenants after the franchise is terminated or expires	Section 5 27(b)	For two years after the expiration, termination, or transfer of your Franchise Agreement, you may not be involved in any Competitive Business operating within your APR and within a 10-mile radius of your APR or within the APR of any then-existing 101 MOBILITY franchisee, you may not solicit any National Accounts or other accounts with which you had material contact in the two year period prior to termination, and you may not employ or solicit for employment individuals employed during the past 12 months by us, our affiliates, our franchisees (including you), or any Franchised Business
s Modification of the agreement	Section 9 2	No modifications unless agreed to in writing by both parties

Provision	Section in Franchise Agreement	Summary
t Integration/merger clause	Section 9 1	Only the terms of the Franchise Agreement and the representations contained in this disclosure document are binding (subject to state law) Any other representations or promises made outside of the disclosure document and Franchise Agreement may not be enforceable
u Dispute resolution by arbitration or mediation	Sections 8 1 and 8 2	Claims, controversies, or disputes from or relating to the Franchise Agreement must be mediated, except for actions seeking injunctive relief and actions we bring which are related to your nonpayment or based on our Marks or Confidential Information If the claims, controversies, or disputes are not resolved in mediation, they must be submitted for arbitration
v Choice of forum	Section 8 1	Mediation and arbitration will take place in the city where our principal business office is located, currently Wilmington, North Carolina, at the time mediation and/or arbitration occurs Venue for injunctive or collection proceedings will be in any court of competent jurisdiction (subject to applicable state law) See the State Specific Addenda attached to this disclosure document
w Choice of law	Section 8 3	North Carolina law applies, (subject to state law), without any regard to the application of North Carolina conflict-of-law rules

ITEM 18 PUBLIC FIGURES

We do not use any public figure to promote our franchises at this time

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

**2018 FRANCHISEE REVENUES FROM COMPLETED SALES AND
RENTAL SERVICES, GROSS MARGINS, VA SALES, AND REBATE AMOUNTS EARNED**

As of the end of the 2018 calendar year, we had 55 101 MOBILITY franchisees whose Franchised Businesses were in operation during the full 2018 calendar year. This list includes Franchised Businesses that were transferred, whether in whole or in part, to new owners during the 2018 calendar year.

Franchisee's APR and Market Area ¹⁰	# of APRs ¹⁰	Revenues from Sales ¹	Rental Payment Revenues ²	Total Revenues (Sales and Rentals)	Gross Margin ³	Supplier Rebate Amounts Earned in 2016 ⁴	% of VA-Related Completed Sales ⁵	Opening Date	Total Population of all APRs ¹⁰
Dallas, TX/Tulsa, OK/Little Rock, AR	9	\$3,352,569	\$20,798	\$3,373,367	60 36%	\$105,837	47%	16-May-12	11,468,007
Atlanta/Athens/Augusta, GA	7	\$2,261,858	\$100,562	\$2,362,420	61 87%	\$93,348	21%	3-Jun-13	6,473,110
Reading, PA/Wilmington, DE/Baltimore, MD	6	\$2,082,439	\$72,764	\$2,155,203	57 12%	\$81,179	28%	9-Aug-10	4,509,150
SE Michigan	6	\$1,500,189	\$107,726	\$1,607,915	57 13%	\$63,673	7%	15-Apr-15	3,708,304
Cleveland/Columbus, OH/Ann Arbor, MI ⁶	5	\$3,349,973	\$285,166	\$3,635,139	54 45%	\$145,656	32%	27-Jul-12	6,984,387
Philadelphia, PA	5	\$2,993,069	\$326,028	\$3,319,097	66 85%	\$81,558	0%	10-Nov-10	5,340,949
Houston Metro, TX	5	\$929,651	\$75,461	\$1,005,112	60 90%	\$21,480	0%	17-Feb-16	3,376,287
Minneapolis, MN	5	\$563,195	\$11,201	\$574,396	66 06%	\$6,443	1%	3-Apr-15	3,175,468
Fayetteville, NC/SE Virginia	4	\$2,985,727	\$120,624	\$3,106,351	52 83%	\$119,403	79%	20-Jul-15	2,584,399
North Chicago, IL	4	\$1,373,000	\$176,063	\$1,549,063	55 27%	\$52,716	0%	4-Feb-13	4,165,008
Sacramento, CA	4	\$1,212,143	\$150,758	\$1,362,901	56 16%	\$47,355	3%	10-Jun-15	1,850,666
Kansas City, KS	4	\$1,165,979	\$61,122	\$1,227,101	58 83%	\$55,189	18%	8-Feb-16	2,351,450
Phoenix, AZ	4	\$876,494	\$37,301	\$913,795	56 72%	\$48,165	53%	11-Apr-16	2,995,649
Washington, DC	3	\$2,221,129	\$88,554	\$2,309,683	51 80%	\$118,927	36%	20-Feb-12	4,120,973
Orange County, CA	3	\$1,602,383	\$126,548	\$1,728,931	54 87%	\$83,004	0%	18-May-16	1,975,969
Nashville, TN/Louisville, KY	3	\$1,552,299	\$17,862	\$1,570,161	68 40%	\$59,570	43%	2-Dec-13	3,219,736
Milwaukee, WI	3	\$1,063,539	\$132,708	\$1,196,247	55 03%	\$57,349	17%	10-Mar-14	1,704,900
Long Island, NY	3	\$900,608	\$247,079	\$1,147,687	55 74%	\$45,587	0%	6-Aug-13	3,607,391
San Jose/Santa Cruz, CA	3	\$926,220	\$16,792	\$943,012	51 92%	\$27,854	30%	14-Oct-13	2,262,272
San Diego, CA	3	\$792,752	\$96,029	\$888,781	51 33%	\$9,314	0%	4-Jan-16	1,919,238
Northern NJ	3	\$712,865	\$90,113	\$802,978	58 55%	\$39,012	9%	31-Jan-17	1,900,000
Annapolis, MD	3	\$709,027	\$66,388	\$775,415	60 96%	\$23,158	1%	1-Sep-17	2,122,431
Hartford, CT	3	\$591,984	\$73,048	\$665,032	58 46%	\$34,295	2%	29-Sep-15	2,689,716

Franchisee's APR and Market Area ¹⁰	# of APRs ¹⁰	Revenues from Sales ¹	Rental Payment Revenues ²	Total Revenues (Sales and Rentals)	Gross Margin ³	Supplier Rebate Amounts Earned in 2016 ⁴	% of VA-Related Completed Sales ⁵	Opening Date	Total Population of all APRs ¹⁰
Denver, CO	3	\$411,155	\$74,390	\$485,545	58 99%	\$12,327	0%	1-Jun-15	3,644,742
Orlando, FL	3	\$278,136	\$20,666	\$298,802	71 86%	\$6,249	0%	21-Sep-16	2,110,525
Tampa, FL	3	\$229,486	\$5,710	\$235,196	53 49%	\$0	7%	21-Jun-13	3,526,758
Morristown, NJ	3	\$68,660	\$49,503	\$118,163	43 05%	\$0	0%	24-Apr-12	3,092,989
Charleston, WV/Lexington, KY	2	\$3,602,649	\$41,017	\$3,643,666	60 83%	\$156,860	77%	24-Mar-14	1,271,260
Piedmont, NC	2	\$2,382,514	\$113,124	\$2,495,638	57 76%	\$94,521	71%	22-Jun-15	2,525,582
Pittsburgh, PA	2	\$1,898,247	\$103,199	\$2,001,446	59 50%	\$73,859	18%	6-Feb-13	2,220,853
Des Moines, IA	2	\$1,229,606	\$34,325	\$1,263,931	69 04%	\$50,762	29%	7-Jan-16	894,216
Greenville/ Spartanburg/ Columbia, SC	2	\$1,118,574	\$45,214	\$1,163,788	59 72%	\$41,635	24%	16-Aug-10	2,312,817
S Houston, TX	2	\$1,049,699	\$2,200	\$1,051,899	N/A ⁸	\$26,753	N/A ⁸	21-Apr-15	1,278,523
Salt Lake City, UT	2	\$992,215	\$17,092	\$1,009,307	59 11%	\$32,453	0%	15-May-13	2,459,200
Raleigh, NC	2	\$854,901	\$151,344	\$1,006,245	57 28%	\$28,839	37%	23-Dec-15	1,385,490
Birmingham, AL	2	\$986,273	\$17,506	\$1,003,779	52 65%	\$48,276	37%	18-Sep-17	1,562,215
St Louis, MO	2	\$815,684	\$85,619	\$901,303	56 36%	\$34,982	26%	4-Feb-13	2,092,914
Indianapolis, IN	2	\$678,392	\$75,031	\$753,423	63 29%	\$18,361	1%	19-Oct-16	1,502,080
Portland, ME	2	\$630,418	\$60,806	\$691,224	60 82%	\$28,035	10%	3-Jun-16	1,449,122
Miami, FL	2	\$493,824	\$63,668	\$557,492	62 50%	\$20,194	0%	5-Sep-17	1,297,984
South Chicago, IL	2	\$479,068	\$64,806	\$543,874	53 18%	\$35,143	0%	28-Feb-17	1,279,255
Austin, TX	2	\$493,498	\$39,636	\$533,134	58 76%	\$18,543	5%	15-Dec-15	2,601,390
Harrisburg, PA	2	\$493,003	\$39,485	\$532,488	54 93%	\$30,613	1%	25-Jan-17	1,013,853
Green Bay, WI	2	\$473,204	\$30,601	\$503,805	56 42%	\$16,857	0%	3-Jun-15	962,586
Jacksonville, FL	2	\$484,703	\$9,523	\$494,226	52 98%	\$11,991	3%	2-Jul-15	1,149,330
Knoxville/ Chattanooga, TN	2	\$457,978	\$12,690	\$470,668	51 59%	\$29,361	3%	3-Dec-12	1,907,476
Las Vegas, NV	2	\$387,729	\$26,023	\$413,752	51 18%	\$10,696	9%	11-May-15	1,928,815
San Antonio, TX	1	\$943,098	\$38,900	\$981,998	53 66%	\$32,929	25%	4-Oct-11	1,383,797
Rochester, NY	1	\$860,298	\$41,859	\$902,157	55 12%	\$32,127	23%	17-Jan-12	1,165,078
White Plains, NY	1	\$711,588	\$77,991	\$789,579	48 89%	\$14,042	0%	31-Mar-17	985,054
Memphis, TN	1	\$415,492	\$15,184	\$430,676	54 39%	\$11,828	14%	20-Jan-17	832,014
Sarasota, FL	1	\$311,833	\$4,968	\$316,801	59 37%	\$17,820	0%	16-Dec-13	1,674,989
West Palm Beach, FL	1	\$147,336	\$0	\$147,336	96 89%	\$6,723	0%	18-Jun-15	1,583,833

2016, 2017 AND 2018 FRANCHISEE REVENUES FROM SALES AND RENTAL SERVICES

The following chart includes 2016, 2017 and 2018 Revenues from Sales and Rental Payment Revenues for those 24 101 MOBILITY franchisees who were in operation during the full 2016, 2017 and 2018 calendar years. This list includes franchisees whose Franchised Businesses were transferred, in whole or in part, to new franchisee owners at any point during the 2016, 2017 and 2018 calendar years.

Franchisee's APR and Market Area ¹⁰	# of APRs ¹⁰ 2016/2017/2018	Revenues from Sales ¹			Rental Payment Revenues ²			Opening Date
		2016	2017	2018	2016	2017	2018	
Dallas, TX/Tulsa, OK/Little Rock, AR	9	\$2,630,390	\$3,056,479	\$3,352,569	\$51,387	\$47,772	\$20,798	16-May-12
Atlanta/Athens/Augusta, GA	4/7/7	\$1,604,839	\$2,063,809	\$2,261,858	\$111,704	\$106,080	\$100,562	3-Jun-13
Fayetteville, NC/SE VA	6	\$2,329,994	\$2,218,779	\$2,985,727	\$111,936	\$93,093	\$120,624	20-Jul-15
SE Michigan	6	\$777,651	\$1,050,968	\$1,500,189	\$88,129	\$113,930	\$107,726	24-Mar-14
Cleveland/Columbus, OH ⁶	5	\$2,639,216	\$2,825,878	\$3,349,973	\$274,968	\$306,955	\$285,166	27-Jul-12
Philadelphia, PA	5	\$2,196,638	\$2,297,713	\$2,993,069	\$357,311	\$344,335	\$326,027	10-Nov-10
Minneapolis, MN	5	\$864,948	\$792,398	\$563,195	\$21,030	\$10,100	\$11,201	3-Apr-15
Reading, PA/Wilmington, DE/Baltimore, MD	4/4/6	\$1,404,482	\$1,671,196	\$2,082,439	\$99,115	\$100,736	\$72,763	9-Aug-10
North Chicago, IL	4	\$1,042,498	\$1,183,188	\$1,373,000	\$253,613	\$202,441	\$176,063	4-Feb-13
Sacramento, CA	4	\$758,896	\$1,155,250	\$1,212,143	\$59,755	\$69,757	\$150,758	21-Apr-15
Washington, DC	3	\$2,168,689	\$2,006,898	\$2,221,129	\$68,373	\$72,586	\$88,554	20-Feb-12
Nashville/Louisville	3	\$812,763	\$1,239,998	\$1,552,299	\$18,102	\$22,989	\$17,862	2-Dec-13
Long Island, NY	3	\$718,669	\$784,011	\$900,608	\$177,114	\$220,743	\$247,079	6-Aug-13
Milwaukee, WI	3	\$643,628	\$773,686	\$1,063,539	\$144,925	\$142,934	\$132,708	10-Mar-14
Morristown, NJ	3	\$571,053	\$391,931	\$68,660	\$105,007	\$78,525	\$49,503	24-Apr-12
San Jose/Santa Cruz, CA	3	\$560,676	\$803,240	\$926,220	\$48,736	\$16,924	\$16,792	14-Oct-13
Tampa, FL	3	\$418,126	\$213,907	\$229,486	\$16,403	\$5,005	\$5,710	21-Jun-13
Denver, CO	3	\$434,514	\$510,372	\$411,155	\$42,016	\$68,608	\$74,390	1-Jun-15
West Hartford, CT	3	\$384,053	\$485,588	\$591,984	\$15,440	\$29,730	\$73,048	28-Sep-15
Charleston, WV/Lexington, KY	2	\$3,388,349	\$3,427,414	\$3,602,649	\$23,921	\$21,408	\$41,017	24-Mar-14
Pittsburgh, PA	2	\$1,581,144	\$2,201,748	\$1,898,247	\$91,774	\$85,197	\$103,199	6-Feb-13
Piedmont, NC	2	\$1,495,412	\$2,072,661	\$2,382,514	\$136,667	\$148,506	\$113,124	22-Jun-15
South Houston, TX	2	\$1,054,735	\$1,001,882	\$1,049,699	\$19,415	\$17,284	\$2,200	21-Apr-15
Salt Lake City, UT	2	\$984,378	\$832,818	\$992,215	\$18,315	\$24,986	\$17,092	15-May-13
Greenville/ Spartanburg/ Columbia, SC	2	\$713,225	\$828,836	\$1,118,574	\$39,582	\$47,322	\$45,214	16-Aug-10
St. Louis, MO	2	\$546,049	\$705,334	\$815,684	\$62,262	\$90,407	\$85,619	4-Feb-13
Raleigh, NC	2	\$492,003	\$903,998	\$854,901	\$92,006	\$123,598	\$151,344	23-Dec-15

Franchisee's APR and Market Area ¹⁰	# of APRs ¹⁰ 2016/2017/2018	Revenues from Sales ¹			Rental Payment Revenues ²			Opening Date
		2016	2017	2018	2016	2017	2018	
Knoxville/Chattanooga	2	\$459,259	\$482,811	\$457,978	\$27,272	\$22,964	\$12,690	3-Dec-12
Green Bay, WI	2	\$435,939	\$434,769	\$473,204	\$19,071	\$25,003	\$30,601	17-Apr-15
Austin, TX	2	\$430,397	\$609,324	\$493,498	\$34,115	\$32,933	\$39,636	30-Sep-15
Jacksonville, Fla	2	\$248,434	\$451,435	\$484,703	\$12,199	\$12,254	\$9,523	17-Apr-15
Las Vegas, NV	2	\$199,607	\$203,339	\$387,729	\$12,257	\$14,538	\$26,023	11-May-15
Rochester, NY	1	\$785,322	\$811,501	\$860,298	\$29,871	\$31,566	\$41,859	17-Jan-12
San Antonio, TX	1	\$776,490	\$912,751	\$943,098	\$35,410	\$36,623	\$38,899	4-Oct-11
Sarasota, FL	1	\$366,256	\$295,278	\$311,833	\$26,908	\$5,929	\$4,968	16-Dec-13
West Palm Bch , FL	1	\$264,001	\$210,116	\$147,336	\$1,200	\$0	\$0	9-Jun-15
TOTAL	103/106 /118	\$38,840,037	\$43,371,023	\$46,196,256	\$2,637,651	\$2,703,346	\$2,740,572	N/A

Notes

Note 1 "Revenues from Sales" includes franchisee revenues from sales as reported in our proprietary MOBILINK software during the 2018, 2017 and 2016 calendar year, as applicable, including the sale of products and equipment, shipment and/or delivery services, and installation and maintenance services, but excluding income from rental services

Note 2 "Rental Payment Revenues" includes franchisee revenues from customers during the 2018, 2017 and 2016 calendar year, as applicable, for the delivery, installation, and use of mobility and accessibility equipment. Rental services are typically provided for a minimum three-month period, although, if installation for the rental equipment is not required, the rental period may be shorter

Note 3 "Gross Margin" is the percent of franchisee's total Revenues from Completed Sales, as defined in Note 7 below, excluding the Cost of Goods Sold. "Cost of Goods Sold" is the total related wholesale cost of the products and equipment sold (but not rented) to customers, less all manufacturer and supplier rebates earned during the 2018 calendar year. Cost of Goods Sold does not include shipping and/or delivery costs or services, installation and maintenance services, subcontractor expenses, and any parts or products provided by subcontractors. It also does not include the cost of equipment that is not stored in our proprietary MOBILINK software, such as equipment that is being market tested, that are rarely sold to customers, or one time sales. All manufacturer and supplier rebates are granted at the sole discretion of each manufacturer and supplier and are subject to change. The range in rebates currently granted by manufacturers and suppliers is included in Item 8, however, we cannot guaranty that these rebate rates will apply indefinitely. Revenues from Completed Sales also includes revenues from sales where there was no related Cost of Goods Sold amount, such as maintenance or repair services provided where no equipment was purchased or where the equipment purchased was previously-used rental inventory. In certain cases, franchisees may derive significant revenue from home modification services and other services that do not include a corresponding product sale as part of the Completed Order

Note 4 "Supplier Rebate Amounts Earned" includes the total dollar amount of all manufacturer and supplier rebates that each franchisee listed earned in 2018 (but for which payment may be made to franchisee in 2019). As stated above, all manufacturer and supplier rebates are granted at the sole discretion of each manufacturer and supplier and are subject to change. The range in rebates currently received from manufacturers and suppliers is included in Item 8 however, we cannot guaranty that these rebate rates will apply indefinitely

Note 5 “% of VA-Related Completed Sales” means the percent of each franchisee’s total Revenues from Completed Sales, as defined in Note 7 below, that is derived from Completed Sales made pursuant to the terms of a VA dealer contract or other local open market sales to VA hospitals. You, however, may or may not have any VA hospital-related sales or dealer contracts. We have no obligation to assign any VA business to you, regardless of whether or not VA-related sales result inside your APR. Business development is the sole responsibility of each franchisee.

Note 6 The Cleveland/Columbus, Ohio franchisee listed above purchased its initial five APRs, including two office locations, from IP Licensors. IP Licensors had operated these five APRs since 2008. In March 2014, this same franchisee purchased two additional APRs in the Ann Arbor and Livonia, Michigan areas and one additional APR in the Detroit, Michigan area in May 2015. In April 2016, this franchisee sold its three Michigan APRs to the SE Michigan franchisee.

Note 7 “Revenues from Completed Sales” includes franchisee revenues from sales marked as “complete” in our proprietary MOBILINK software during the 2018, 2017 and 2016 calendar year, as applicable, including the sale of products and equipment, shipment and/or delivery services, and installation and maintenance services, but excluding income from rental services. Some of the sales activities related to completed sales may have occurred before or after the calendar year in which the applicable franchisee marked it as “complete.”

Note 8 As this franchisee does not consistently mark their orders as “complete,” Gross Margin and the percent of VA-related completed sales as to this franchisee is not included in the above chart.

Note 9 The figures reflected in the above charts were compiled from unaudited information reported to us, and/or input into our proprietary MOBILINK software, by our franchisees. We have not independently verified any of the sales or cost information on which this financial performance representation is based. The number of APRs per franchisee in these columns reflect the number of APRs being operated under franchise agreements with us as of the end of each applicable year.

Note 10 The APRs granted to the above-listed 101 MOBILITY franchisees range from approximately 600,000 in population to 1,400,000, except for the Chattanooga, Tennessee APR which contains a population of approximately 434,000. The APR information in the above charts include the number of APRs each franchisee owned as of the end of each year indicated at the top of the column. The population information included in the above chart was compiled for us by our third party provider using information current through 2014 for all Franchised Businesses open in 2013 or earlier and does not necessarily reflect the population in the APRs above at the time each was sold to its respective franchise owner.

Note 11 As stated in this disclosure document, franchisees are permitted to offer and provide products and equipment in areas surrounding their APR which have not yet been granted to 101 MOBILITY franchisees. These sales are also included in the above chart. Once these surrounding areas are granted as APRs to other franchisees, sales in these areas will no longer be permitted.

SOME OUTLETS HAVE EARNED THIS AMOUNT. YOUR INDIVIDUAL RESULTS MAY DIFFER. THERE IS NO ASSURANCE THAT YOU WILL EARN AS MUCH.

Substantiation of the data used in preparing this financial performance representation will be made available to you upon reasonable request.

Except for the above disclosure in this Item 19, we do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing business, however, we may provide you with the actual records of that business. If you receive any other financial performance information or projections of your future income, you should report it to franchisor’s management by contacting David Pazgan, President, 101

Mobility Franchise Systems, LLC, 5221 Oleander Drive, Wilmington, North Carolina 28403, (910) 350-2755, the Federal Trade Commission, and the appropriate state regulatory agencies

**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

**Table No 1
Systemwide Outlet Summary
For Years 2016 to 2018**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2016	117	142	+25
	2017	142	156	+14
	2018	156	158	+2
Company-Owned ¹	2016	2	2	0
	2017	2	2	0
	2018	2	4	+2
Total Outlets	2016	119	144	+25
	2017	144	158	+14
	2018	158	162	+4

Note 1 These company-owned outlets are owned by our affiliate, IP Licensor

**Table No 2
Transfers of Outlets from Franchisees to New Owners (Other Than the Franchisor)
For Years 2016 to 2018**

State	Year	Number of Transfers
Arizona	2016	2
	2017	0
	2018	0
California	2016	1
	2017	0
	2018	3
Colorado	2016	0
	2017	0
	2018	3
Delaware	2016	0
	2017	1
	2018	0
Florida	2016	0
	2017	3
	2018	0

State	Year	Number of Transfers
Maryland	2016	0
	2017	2 ¹
	2018	0
Michigan	2016	2
	2017	0
	2018	0
New Jersey	2016	0
	2017	0
	2018	3
Pennsylvania	2016	0
	2017	1 ¹
	2018	0
South Carolina	2016	0
	2017	2
	2018	2
Total	2016	5
	2017	9
	2018	11

Note 1 There was an internal transfer with respect to one Franchisee who is under four franchise agreements with us, one for an APR in Delaware, two for two APRs in Maryland, and one for an APR in Pennsylvania. Therefore, we have indicated a transfer for each applicable APR in the above chart.

Table No. 3
Status of Franchised Outlets
For Years 2016 to 2018

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Alabama	2016	0	0	0	0	0	0	0
	2017	0	2	0	0	0	0	2
	2018	2	0	0	0	0	0	2
Arizona	2016	2	2	0	0	0	0	4
	2017	4	0	0	0	0	0	4
	2018	4	0	0	0	0	0	4
Arkansas	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
California	2016	7	5	0	0	0	0	12

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
	2017	12	1	0	0	0	0	13
	2018	13	0	0	0	0	0	13
Colorado	2016	3	0	0	0	0	0	3
	2017	3	0	0	0	0	0	3
	2018	3	0	0	0	0	0	3
Connecticut	2016	3	0	0	0	0	0	3
	2017	3	0	0	0	0	0	3
	2018	3	0	0	0	0	0	3
Delaware	2016	1	0	0	0	0	0	1
	2017	1	1	0	0	0	0	2
	2018	2	0	0	0	0	0	2
Florida	2016	9	3	2	0	0	0	10
	2017	10	2	0	0	0	0	12
	2018	12	0	0	0	0	0	12
Georgia	2016	7	0	0	0	0	0	7
	2017	7	3	3	0	0	0	7
	2018	7	0	0	0	0	0	7
Idaho	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
Illinois	2016	4	0	0	0	0	0	4
	2017	4	2	0	0	0	0	6
	2018	6	2	0	0	0	0	8
Indiana	2016	0	2	0	0	0	0	2
	2017	2	0	0	0	0	0	2
	2018	2	1	0	0	0	0	3
Iowa	2016	0	2	0	0	0	0	2
	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
Kansas	2016	0	4	0	0	0	0	4
	2017	4	0	0	0	0	0	4
	2018	4	0	0	0	0	0	4
Kentucky	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
Maine	2016	0	2	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
Maryland	2016	3	0	0	0	0	0	3
	2017	3	2	0	0	0	0	5
	2018	5	0	0	0	0	0	5
Michigan	2016	6	0	0	0	0	0	6
	2017	6	0	0	0	0	0	6
	2018	6	0	0	0	0	0	6
Missouri	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
Minnesota	2016	5	0	0	0	0	0	5
	2017	5	0	0	0	0	0	5
	2018	5	0	0	0	0	5	0
Nevada	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
New Jersey	2016	3	0	0	0	0	0	3
	2017	3	3	0	0	0	0	6
	2018	6	0	0	0	0	0	6
New York	2016	4	0	0	0	0	0	4
	2017	4	1	0	0	0	0	5
	2018	5	0	0	0	0	0	5
North Carolina	2016	5	0	0	0	0	0	5
	2017	5	0	0	0	0	0	5
	2018	5	0	0	0	0	0	5
Ohio	2016	8	0	0	0	0	0	8
	2017	8	0	3	0	0	0	5
	2018	5	2	0	0	0	0	7
Oklahoma	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
Pennsylvania	2016	8	0	0	0	0	0	8
	2017	8	2	0	0	0	0	10
	2018	10	2	0	0	0	0	12
	2016	2	2	0	0	0	0	4

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
South Carolina	2017	4	0	0	0	0	0	4
	2018	4	0	0	0	2	0	2
Tennessee	2016	4	0	0	0	0	0	4
	2017	4	1	0	0	0	0	5
	2018	5	0	0	0	0	0	5
Texas	2016	10	5	0	0	0	0	15
	2017	15	0	0	0	0	0	15
	2018	15	0	0	0	0	0	15
Utah	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
Virginia	2016	4	0	0	0	0	0	4
	2017	4	0	0	0	0	0	4
	2018	4	0	0	0	0	0	4
Washington	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
Washington D C	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
West Virginia	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
Wisconsin	2016	5	0	0	0	0	0	5
	2017	5	0	0	0	0	0	5
	2018	5	0	0	0	0	0	5
Totals	2016	117	27	2	0	0	0	142
	2017	142	20	6	0	0	0	156
	2018	156	9	0	0	2	5	158

Table No 4

**Status of Company-Owned¹ Outlets
For Years 2016 to 2018**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Massachusetts	2016	1	0	0	0	0	1
	2017	1	0	0	0	0	1
	2018	1	0	0	0	0	1
North Carolina	2016	1	0	0	0	0	1
	2017	1	0	0	0	0	1
	2018	1	0	0	0	0	1
South Carolina	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0
	2018	0	0	2	0	0	2
Totals	2016	2	0	0	0	0	2
	2017	2	0	0	0	0	2
	2018	2	0	2	0	0	4

Note 1 These company-owned outlets are owned by our affiliate, IP Licensor

**Table No 5
Projected Openings
As of December 31, 2018**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	0	1	0
Florida	0	1	0
Illinois	0	1	0
Indiana	1	0	0
Minnesota	0	1	0
New Jersey	3	0	0
New York	0	2	0
Nebraska	0	1	0
South Carolina	0	1	0
Totals	4	8	0

Exhibit H reflects the name, business address, and business telephone number of each of our franchisees as of December 31, 2018. Exhibit H also reflects the name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had a franchise agreement terminated, canceled, not renewed, or who otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has ceased

to communicate with us during the ten week period before the issuance of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the 101 MOBILITY System.

No franchisee has signed, within the last three years, a confidentiality clause with us that would restrict the franchisee's ability to openly communicate with you.

As of the date of this disclosure document, no trademark-specific franchisee organizations sponsored or endorsed by us and no independent franchisee organizations have asked to be included in this disclosure document.

ITEM 21 FINANCIAL STATEMENTS

Attached as Exhibit E to this disclosure document are our audited balance sheets as of December 31, 2018, December 31, 2017, and December 31, 2016, and the related statements of profit and loss and members' equity, and cash flows for the years then-ended.

Our fiscal year ends on December 31.

ITEM 22 CONTRACTS

The following form contracts are included in this disclosure document:

- | | |
|-------------------------|--|
| <u>Exhibit A</u> | Franchise Agreement, including <ul style="list-style-type: none">State Specific Amendments to Franchise AgreementPayment and Performance GuaranteeAttachment A – Franchisee Specific InformationAttachment B – Software License AgreementAttachment C – Conversion AddendumAttachment D – SBA AddendumAttachment E – Waiver of Liability, Release, and Indemnification for Training Programs |
| <u>Exhibit C</u> | General Release (Sample Form) |
| <u>Exhibit D</u> | Nondisclosure and Noncompete Agreement |

ITEM 23 RECEIPTS

Two copies of a receipt of this disclosure document appear as the last two pages of this disclosure document. Please return one copy to us and retain the other for your records.

EXHIBIT A
FRANCHISE AGREEMENT



**101 MOBILITY FRANCHISE SYSTEMS, LLC
FRANCHISE AGREEMENT**

TABLE OF CONTENTS

ARTICLE	PAGE
1 DEVELOPMENT RIGHTS AND OBLIGATIONS	1
1 1 Grant of License	1
1 2 Acceptance of License	1
1 3 Area of Primary Responsibility	2
1 4 Limited Territorial Protection	2
1 5 Solicitation and Sales Outside of Your APR	2
1 6 Performance Requirements	2
2 TERM AND RENEWAL	3
2 1 Initial Term	3
2 2 Renewal Terms	3
3 FEES	3
3 1 Initial Franchise Fee	3
3 2 Royalty Fee	3
3 3 Initial Marketing Fee	4
3 4 Marketing Fee	4
3 5 Technology Package Fee	4
3 6 Renewal Fee	4
3 7 Transfer Fee	4
3 8 Initial and Ongoing License Fees	4
3 9 Operating Fee Due Dates	4
3 10 Method of Payment	4
3 11 Interest on Overdue Payments, Late Fee	5
3 12 Taxes and Fees	5
3 13 Referral Fees	5
3 14 Collection Costs and Expenses	5
3 15 No Set-Off Rights	5
4 OUR OBLIGATIONS	5
4 1 Manuals	5
4 2 Training	5
4 3 Opening Assistance	6
4 4 Additional Assistance, On-Site Assistance	6
4 5 Inspections	6
4 6 Equipment, Supplies, and Services	6
4 7 Review of Proposed Equipment, Supplies, or Suppliers	6
4 8 Approval of Advertising Programs	6
4 9 Meetings and Conferences	7
4 10 Leads	7
4 11 Intranet	7
4 12 Pricing	7
4 13 Assignment by Us	7
5 YOUR OBLIGATIONS AND OPERATING STANDARDS	7
5 1 Development of Your Area of Primary Responsibility	7
5 2 Products and Services You Must Offer	8
5 3 Vehicles	8
5 4 Vehicle Maintenance and Upgrades	8
5 5 Supplies, Equipment, and Services	8
5 6 Approval Process	8
5 7 Business Office	9

5 8 Training	9
5 9 Customers	10
5 10 National Accounts	10
5 11 Marketing	10
5 12 Conferences	11
5 13 Franchisee Advisory Council	12
5 14 Computer System, Data Security	12
5 15 Manuals	13
5 16 Insurance	13
5 17 Intellectual Property	13
5 18 Improvements	15
5 19 Confidential Information	15
5 20 Taxes	15
5 21 Bookkeeping and Records	15
5 22 Reports and Financial Statements	15
5 23 Additional Information	16
5 24 Auditing	16
5 25 Inspection	16
5 26 Indemnification	16
5 27 Your Covenant Not to Compete	17
5 28 Transfer and Assignment	18
5 29 Security Interest	21
5 30 Compliance with Laws and Regulations	21
5 31 Notice of Proceedings	22
5 32 Ownership and Guarantee	22
5 33 Call Center Program	22
6 TERMINATION AND DEFAULT	23
6 1 Events of Default	23
6 2 Our Remedies after an Event of Default	24
6 3 Liquidated Damages	24
6 4 Our Performance of Your Obligations	25
7 YOUR OBLIGATIONS UPON EXPIRATION OR TERMINATION	25
7 1 Payment of Costs and Amounts Due	25
7 2 Discontinue Use of the System and Intellectual Property	25
7 3 Return of Confidential Information	25
7 4 Cease Identification with Us	25
7 5 Our Option to Purchase Certain Goods	26
7 6 Our Option to Assume Your Site Lease	26
7 7 De-identification of the Equipment and Franchised Business	26
7 8 Promote Separate Identity	26
7 9 Assignment of Customers and Customer Contracts	26
7 10 Comply with Noncompete	26
7 11 Injunctive and Other Relief	27
7 12 Trademark Infringement	27
8 DISPUTE RESOLUTION AND GOVERNING LAW	27
8 1 Arbitration	27
8 2 Mandatory Pre-Arbitration Mediation	28
8 3 Governing Law	28
8 4 Mutual Waiver of Jury Trial	28
8 5 Waiver of Punitive Damages	28
8 6 Remedies Not Exclusive	29

8 7 Our Right to Injunctive Relief	29
8 8 Limitation of Claims	29
8 9 No Waiver	29
8 10 Attorneys' Fees and Costs	29
9 MISCELLANEOUS	29
9 1 Entire Agreement	29
9 2 Amendments and Modifications	29
9 3 Waiver	29
9 4 Importance of Timely Performance	29
9 5 Headings	29
9 6 Severability	29
9 7 Applicable State Law Controlling	30
9 8 Survival	30
9 9 Consent	30
9 10 Independent Contractor Relationship	30
9 11 Notices	30
9 12 Execution in Counterparts	31
9 13 Successors and Assigns	31
9 14 No Third Party Beneficiaries	31
9 15 Additional Terms, Inconsistent Terms	31
10 YOUR REPRESENTATIONS AND ACKNOWLEDGMENTS	31
10 1 Truth of Information	31
10 2 Due Authority	31
10 3 Terrorist Acts	31
10 4 Independent Investigation	32
10 5 Timely Receipt of Agreement and Franchise Disclosure Document	32
10 6 Electronic Signature	32
STATE SPECIFIC AMENDMENTS	
PAYMENT AND PERFORMANCE GUARANTEE	
ATTACHMENT A – FRANCHISEE SPECIFIC INFORMATION	
ATTACHMENT B – SOFTWARE LICENSE AGREEMENT	
ATTACHMENT C – CONVERSION ADDENDUM	
ATTACHMENT D – SBA ADDENDUM	
ATTACHMENT E – WAIVER OF LIABILITY, RELEASE, AND INDEMNIFICATION FOR TRAINING PROGRAMS	

101 MOBILITY FRANCHISE SYSTEMS LLC FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "**Agreement**") is entered into on the Effective Date stated in the attached Attachment A, which Attachment A is incorporated by reference herein and made a part of this Agreement. This Agreement is between 101 MOBILITY FRANCHISE SYSTEMS LLC, a North Carolina limited liability company ("**Franchisor**"), and the person or entity identified on Attachment A as the franchisee ("**Franchisee**"). In this Agreement, "**we**", "**us**", and "**our**" refer to Franchisor. "**You**" and "**your**" refer to Franchisee.

BACKGROUND

A Franchisor and its affiliates have gained knowledge and experience in the sale of mobility and accessibility related products, equipment, and accessories ("**Equipment**") and in the provision of related services such as rental, installation, maintenance, and refurbishment services ("**Services**"). Additionally, we have developed and will continue to develop a distinctive business format, including a set of terms and operating procedures (the "**System**"). The distinguishing characteristics of the System include our specifications for Equipment and Services, color schemes, signage, and other identification schemes (the "**Trade Dress**"), our Business Office and Vehicle specifications, our training programs, operating procedures, customer service standards, and marketing and advertising techniques, our proprietary software, and all of the policies, procedures, standards, and terms set out in our operations manuals ("**Manuals**"). We reserve the right to change, improve, and further develop the elements of the System periodically.

B We identify the businesses operating under the System by means of the 101 MOBILITY marks and certain other trademarks, service marks, trade names, signs, logos, associated designs, artwork, and other indicia of origin as we may adopt from time to time (collectively, the "**Marks**"). We may designate other trade names, service marks, and trademarks as Marks. Businesses operating under our distinctive business format, including the System and the Marks, are referred to as "**101 MOBILITY Businesses**."

C You wish to open and operate a franchised 101 MOBILITY Business (the "**Franchised Business**") and to have the right to use the Marks and the System in your assigned area of primary responsibility ("**APR**"). We are willing to grant to you a license to open and operate a 101 MOBILITY Franchised Business on the terms and conditions of this Agreement.

AGREEMENT

In consideration of the above and the mutual premises and agreements contained here, the receipt and sufficiency of which is hereby acknowledged, the parties agree to the following:

1 DEVELOPMENT RIGHTS AND OBLIGATIONS

1.1 Grant of License On and subject to the terms and conditions of this Agreement, we grant to you a non-exclusive license (the "**License**") to provide Services and to deliver and install Equipment at locations within your APR ("**Inside APR Sales**"). Your License further gives you the right to operate a business office and storage space (together, "**Business Office**") and one or more vehicles to deliver and install Equipment and provide Services ("**Vehicle**") within your APR. Your License gives you the right to use the Marks and the System only in connection with the Franchised Business.

Except as otherwise stated in Section 1.5, you have no right to use the Marks or the System outside of your APR, nor do you have the right to use the Marks or System in any wholesale, e-commerce, or other alternate channel of distribution which may result in sales within your APR.

1.2 Acceptance of License You hereby accept the License and agree to continually operate the Franchised Business strictly according to the terms of this Agreement for the entire Term, as defined herein.

1.3 Area of Primary Responsibility Your APR will consist of the ZIP Codes set forth in Attachment A as geographically defined by the U.S. Postal Services as of the Effective Date of this Agreement. If, however, any ZIP Code is altered, split, or in any way changed to affect the outside boundary of your APR, we have the right, in our sole discretion, to modify your APR with respect to all ZIP Codes affected by the change (including any new or split ZIP Codes), provided, however, that we will not remove any previously granted ZIP Code from your APR as long as the change does not result in any overlap with another 101 MOBILITY Business's APR.

1.4 Limited Territorial Protection Except as stated in this Section 1.3 and Section 5.10, and except as otherwise provided in this Agreement, we will not operate a 101 MOBILITY Business, or license to anyone other than you the right to operate a 101 MOBILITY Business, that provides Services or installs or delivers Equipment at locations in your APR while this Agreement is in effect. Notwithstanding the foregoing, we reserve for ourselves all other rights not expressly granted to you under this Agreement and we and our affiliates may engage in any business activities, under any name, in any geographic area, and at any location, regardless of the proximity to or effect on your APR or Franchised Business. For example, though not as an exhaustive list, we and our affiliates have the right (a) to advertise or authorize others to advertise anywhere, using the Marks, (b) to establish or license 101 MOBILITY Businesses under the Marks, at any location outside of your APR, (c) to sell or license others to sell, Equipment and Services through alternative distribution channels, including via the Internet, wholesale channels, and independent third party retailers, using the Marks or under names and symbols other than the Marks, and (d) if we purchase, acquire, are acquired by, or merge with other companies, to continue to operate, franchise, or license the acquired business anywhere, including in the APR, under the Marks or a different trademark.

1.5 Solicitation and Sales Outside of Your APR You must concentrate your efforts within the APR. You may not directly solicit, provide Services, or deliver or install Equipment to a location outside of your APR without our prior written consent, which consent may be withheld or withdrawn at our sole discretion. "Direct solicitation" includes, but is not limited to, solicitation in person, by telephone, by mail, by email, by distribution of brochures, business cards, or other materials, and by any means you are able to target customers within certain limited and defined geographic areas, such as ZIP Codes. If we consent to your providing Services or delivering or installing Equipment at locations outside of your APR ("Outside APR Sales"), to your soliciting customers outside of your APR, or to your operating in an unassigned APR, you must immediately stop doing so if we withdraw our consent at a later time. Should we withdraw our consent, you must immediately cease soliciting customers and servicing existing and future customers in the area indicated by us outside of your APR, but you may fulfill those sales orders that are existing and outstanding as of the date we withdraw our consent. You must provide us with all information relating to customers and Outside APR Sales from the area outside of your APR in which you provided Services, delivered and installed Equipment, solicited customers, and/or operated, which we may in turn provide to any new franchisee. Your Gross Sales from Outside APR Sales in any calendar year shall not exceed 10% of your total Gross Sales during that calendar year.

1.6 Performance Requirements

(a) **Annual** Every year that you operate the Franchised Business, your annual Gross Sales must exceed the minimum sales requirement stated in Attachment A (the "Annual Performance Requirement"). If your Gross Sales fail to meet the Annual Performance Requirement, we have the right to terminate all or part of your limited APR protection. We also have the right to terminate this Agreement. We will give you written notice of the action.

(b) **Quarterly** Every quarter that you operate the Franchised Business, you must meet the local marketing requirement or, in the alternative, our local sales ratio requirement as stated in Attachment A (collectively, the "Quarterly Performance Requirement"). We have the right to adjust the local marketing requirement and local sales ratio on notice to you. If you fail to meet the Quarterly Performance

Requirement, we have the right to terminate all or part of your limited APR protection. We also have the right to terminate this Agreement. We will give you written notice of the action.

2 TERM AND RENEWAL

2.1 **Initial Term** The initial term of this Agreement (the "**Initial Term**") begins on the Effective Date and ends ten years from that date. The Initial term may end sooner if this Agreement is ended under another Section of this Agreement.

2.2 **Renewal Terms** After the Initial Term expires, you have the right, to continue to use the rights established under this Agreement for two successive terms of five years each (the "**Renewal Term**"). You may only exercise this right by

(a) giving us written notice of your wish to get a renewal License at least three, but not more than six, months before the expiration of the Initial Term,

(b) not later than the expiration date of the Initial Term, delivering to us a completed and executed franchise agreement on our then-current form of franchise agreement. You acknowledge that the current-form may have terms significantly different than those in this Agreement, including, but not limited to, higher rates of Operating Fees and other fees and charges, but you will not have to pay another Initial Franchise Fee,

(c) not later than the expiration date of the Initial Term, updating your operations and refurbishing and upgrading your Business Office, Warehouse, and Vehicles, at your expense, to conform to the Trade Dress, System standards, presentation of the Marks, and our then-current image and, if necessary, in our sole opinion, to update and replace the furniture and fixtures to meet our then-current specifications,

(d) executing a general release, in a form we prescribe, of any and all claims against us, our parents, our affiliates, and each of our and their respective past, present, and future officers, directors, owners, managers, members, shareholders, agents, and employees,

(e) satisfying all monetary obligations owed by you to us or our affiliates or your suppliers,

(f) completing, and having you, your Owners, and your Operating Principal complete, all of our then-current training requirements, including any additional training that we may require,

(g) substantially and timely complying with each provision of this Agreement or any other agreement with us or our affiliates throughout the Initial Term and having no Event of Default, or event which with the giving of notice and/or passage of time would be an Event of Default, in existence as of the date you provide notice of your wish to enter into a renewal License and the expiration of the Initial Term, and

(h) paying to us the Renewal Fee

3 FEES

3.1 **Initial Franchise Fee** You must pay us, in a lump sum, a nonrefundable initial franchise fee (the "**Initial Franchise Fee**") at the time you sign this Agreement and in the amount stated in Attachment A. The Initial Franchise Fee is for the rights granted under this Agreement and is considered fully earned at the time paid. We have no obligation to refund the Franchise Fee, in whole or in part, for any reason.

3.2 **Royalty Fee**

(a) **Amount of Royalty Fee** Starting on your first day of operation, you must pay us a weekly royalty fee (the "**Royalty Fee**") equal to the percentage of your Gross Sales for the previous week, as stated in Attachment A. If any taxes, fees, or assessments are imposed on your payment of Royalty Fees (except taxes imposed on our net taxable income) you must also pay or reimburse the amount of the taxes, fees, or assessments within 15 days after your receipt of our written notice to you.

(b) **Minimum Royalty Payment** Starting in the third full quarter of your operation of the Franchised Business, if the Royalty Fee amount directly related to Inside APR Sales for the previous three months is less than the minimum royalty payment stated in Attachment A (the "**Minimum Royalty Payment**") you will pay the difference to us on the next Payment Date. You are considered to "**begin operating**" on the day we give you written permission to begin selling Equipment or offering Services.

(c) **Definition of Gross Sales** "**Gross Sales**" means all revenue and monies received from the sale of all products and services related to the Franchised Business (regardless of where the products and services are provided) and all other income of every kind and nature related to the Franchised Business, including proceeds of business interruption insurance, whether for cash or credit (and regardless of collection in the case of credit). "**Gross Sales**" does not include any sales taxes or other taxes that you collect from customers and pay directly to the appropriate taxing authority, any rebates or promotional allowances paid to you in connection with your purchase of equipment or supplies, and documented customer adjustments and refunds.

3.3 **Initial Marketing Fee** At the time you sign this Agreement, you must pay to us a nonrefundable initial marketing fee ("**Initial Marketing Fee**") in the amount stated in Attachment A. The Initial Marketing Fee is for marketing items we provide and activities we assist you with before and during the launch of your Franchised Business and is considered fully earned at the time it is paid. We have no obligation to refund the Initial Marketing Fee, in whole or in part, for any reason.

3.4 **Marketing Fee** You must pay to us a marketing fee (the "**Marketing Fee**") equal to up to 4% of Gross Sales. We will not require you to pay more than 4% of your annual Gross Sales as a Marketing Fee. In consideration for the Marketing Fee, we or our designee will provide such advertising, marketing, and promotional services as we deem appropriate.

3.5 **Technology Package Fee** At the time you sign this Agreement, you must pay to us a nonrefundable technology package fee ("**Technology Package Fee**") in the amount stated in Attachment A. The Technology Package Fee is for certain computer hardware items we purchase and supply to you prior to the launch of your Franchised Business and is considered fully earned at the time it is paid and non-refundable, in whole or in part, for any reason.

3.6 **Renewal Fee** Upon your signing of a renewal franchise agreement under Section 2.2, you must pay to us a renewal fee (the "**Renewal Fee**") equal to the amount stated in Attachment A.

3.7 **Transfer Fee** If you Transfer your Franchised Business or this Agreement, you must pay to us the applicable Transfer Fee equal to the amount stated in Attachment A.

3.8 **Initial and Ongoing License Fees** At the time you sign this Agreement, you must sign our Software License Agreement, included as Attachment B to this Agreement, under which you will pay us an initial software license fee and ongoing software license fee for the use of software we license to you directly.

3.9 **Operating Fee Due Dates** Each week, on such day as we designate, you must pay to us the Royalty Fee and Marketing Fee, (collectively, "**Operating Fees**") due to us under this Agreement (the "**Payment Date**"). All Operating Fees must be paid in full by the Payment Date. If we accept any payment from you that is less than the full amount due, we have the right to recover the remaining balance due and to pursue any other remedy against you. For all other fees, the Payment Date will be the date stated in the demand. We reserve the right to change the payment schedule for payment of Operating Fees and Minimum Royalty Payments.

3.10 **Method of Payment** You must use the payment method or methods that we select for all payments. We currently require electronic funds transfer, so you must choose an account at a commercial bank (the "**Account**") and give the bank all authorizations needed for us to transfer funds from the Account. On each Payment Date, we will transfer the amount of Operating Fees due from you, plus the balance of

any Minimum Royalty Payment due from you and give you a confirmation of each transfer. You agree to maintain enough funds in the Account to cover all amounts payable to us. If funds in the Account are not enough to cover the amounts payable at the time we start the funds transfer, the amount of the loss will be considered overdue. And you agree to pay us, on demand, the overdue amount plus interest, any related bank fees, and any related Late Fees as described in Section 3.11 below. These remedies are in addition to any other remedies we may have under this Agreement or the law. If you fail to timely report your Gross Sales, we may estimate the amount of fees due and make a withdrawal from your bank account based on our estimate, plus 10% of our estimate. If we underestimate any fees due, you will be required to pay the total amount of fees due. If we overestimate any fees due, we will credit the fees paid against fees due in the next payment period after we receive accurate records regarding your Gross Sales. Our right to effect payment by electronic funds transfer or any other future payment method does not impair or reduce your duty to make payment when due.

3.11 Interest on Overdue Payments, Late Fee If any payment or amount owed is not received in full by the date such amount is due, you agree to pay us, upon demand, interest on the amount owed, calculated from the due date, at the rate of 18% per annum (or the maximum rate permitted by law, if less than 18%) on the remaining amount owed periodically. You also agree to pay us a late fee ("**Late Fee**") in the amount of \$150 for each overdue payment received after the due date. The Late Fee due will increase by \$25 for each week that a payment remains unpaid. We may increase the Late Fee amount upon 60 days prior written notice, but we will not increase the Late Fee more than once in any 12-month period.

3.12 Taxes and Fees You are responsible for all taxes, assessments, and government charges imposed on you for any business activities under this Agreement. All payments by you to us under this Agreement will be made without set-off or deduction, except for taxes or fees required to be deducted or withheld by taxing authorities. If you fail to deduct or withhold these taxes or fees, unless requested or instructed by us not to, you will indemnify us for the full amount of the taxes or fees and for any loss (including penalties, interest, and expenses) caused by your failure to deduct or withhold taxes or fees. Also as part of the Operating Fees, you will pay any taxes imposed on us or our affiliates by federal, state, or local taxing authorities for our acceptance of any Operating Fees. This does not include any taxes measured on our income.

3.13 Referral Fees We may require you to pay a referral fee to other franchisees who refer customers or business, such as installation work, to you.

3.14 Collection Costs and Expenses If you fail to comply with any of the terms or conditions of this Agreement, you must promptly reimburse us for any and all costs and expenses that we incur in enforcing the terms of this Agreement including, without limitation, fees paid to a collection agency, and reasonable attorneys' fees and accountants' fees. This obligation is in addition to and not in lieu of any other remedies available to us under this Agreement and applicable law.

3.15 No Set-Off Rights You may not set off, deduct or otherwise withhold any fees or other amounts due to us under this Agreement on grounds of alleged nonperformance by us of any of our obligations or for any other reason. Withholding Royalty Fees or any other amounts due to us is a material breach of this Agreement.

4 OUR OBLIGATIONS

4.1 Manuals We will loan you a copy of our confidential operations manuals (the "**Manuals**") We may from time to time provide updates to the Manuals. It is our sole decision to provide these updates by letter, email, bulletin, software, or any other communication method we elect.

4.2 Training

(a) Initial Training of Your Personnel We will provide initial training to you, your Owners, and your Operating Principal, and each must attend and satisfactorily complete our initial training program.

("Initial Training") Your Initial Training will cover subjects we deem related to the operation of the Franchised Business, such as the use of the System, the management of your Franchised Business, and installing Equipment. We will provide Initial Training at our offices in Wilmington, North Carolina, or at any other location we designate. We will hold Initial Training at a time that we choose, but we will try to accommodate your reasonable requests. We are not required to provide you with Initial Training or any additional training in connection with any additional APRs or Franchised Businesses your purchase.

(b) **Additional Training** In addition to Initial Training, you must attend, and you must cause your Owners and Operating Principal to attend, and satisfactorily complete any training programs we may periodically require after you begin operations. Our annual conference will be deemed mandatory additional training. We may charge you a reasonable training fee for each individual required to attend the additional training program, and you are responsible for any expenses involved in your attendees' attendance of and participation in such further training including, for example, any applicable travel, living, and food expenses, and wages.

4.3 **Opening Assistance** We will advise you about initial orders of Equipment and other supplies. We will also advise you about establishment of business relationships with designated and approved suppliers. We may also, in our sole discretion, provide you with on-site assistance in connection with the initial launch of your Franchised Business.

4.4 **Additional Assistance, On-Site Assistance** From time to time, and as we deem appropriate, we will provide you with ongoing technical, managerial, and administrative advice and guidance by telephone, email, and other forms of communication. We may, in our discretion, agree to provide you with additional in-person assistance upon your specific request, where such in-person assistance is provided on-site at your Franchised Business or at a location other than our headquarters. We may also require that certain individuals attend and satisfactorily complete any additional in-person training we may require in our discretion. You are required to pay for the travel, living, and food expenses of our trainers as well as our consulting fee ("**Consulting Fee**"), which is currently \$300 per day (including a partial day) for each person providing the additional assistance. All expenses and the Consulting Fee is payable within 15 days of the rendering of services. We will have the right to increase the amount of the Consulting Fee once within any 12-month period. You acknowledge and agree that any consultation and/or advice that we provide to you will not relieve you of your responsibilities to comply with all applicable laws, rules, and regulations with respect to your operation of the Franchised Business and that you will seek the advice of local counsel where necessary.

4.5 **Inspections** We and our designees may periodically inspect the operation of your Franchised Business, whether through on-site or remote inspection, and advise you of its results. We may provide you with a written action plan that you must carry out after each inspection. If we decide that your Franchised Business operations do not meet the System's standards, we may require you to have additional on-site advice and training from our staff or designee to fix any problems. If this is required, you must pay us for our expenses and the Consulting Fee within 15 days of the rendered on-site advice and/or training.

4.6 **Equipment, Supplies, and Services** We will communicate to you information about our designated and approved suppliers, which may include us and our affiliates. We will also communicate any brand specifications we impose on Equipment to be offered and sold by the Franchised Business.

4.7 **Review of Proposed Equipment, Supplies, or Suppliers** We will review your requests for approval of supplies, Equipment, Vehicles, Services, or suppliers within 60 days of receiving all of the requested information. If you do not receive our approval within 60 days, our failure to respond will be considered a rejection of the request. See Section 5.6 for details.

4.8 **Approval of Advertising Programs** We shall review and approve or disapprove any advertising or promotional programs or materials that you develop, including your initial launch advertising.

4 9 Meetings and Conferences We may decide to organize meetings of our franchisees that may be mandatory or optional. We will designate the time and place of any meetings, that may be held in-person or remotely via teleconference, web seminar, or other method we designate. You are responsible for travel, living, and other expenses that you, your Owners, and/or your Operating Principal incur in attending the meetings. If we designate such meetings as additional training we may also charge you a reasonable fee for each attendee.

4 10 Leads We may refer to your Franchised Business any prospective customers that we receive through the website, telephone calls, or other methods of communication that determine the potential customer is in your APR. You must contact the customer, or attempt to contact the customer at least twice, within 24-hours of our sending you the potential customer's information. If, however, you do not respond to the referral of a potential customer within the 24-hour window, we or another franchisee or third party we designate may service this customer by providing Services and delivering and installing Equipment within your APR. If we purchase leads at your request, there may be a charge to you (at our actual cost plus a reasonable administration fee). If a customer prefers that you perform an installation in an APR other than yours, you must obtain our prior written approval to perform the installation and pay a commission to the franchisee in whose APR the installation is performed. The commission is an amount or according to a formula determined by us in our sole discretion, as described periodically in the Manual.

4 11 Intranet We may, at our option, establish and maintain an intranet or extranet system through which members of the 101 MOBILITY network may communicate and through which we may disseminate updates to the Manuals and other confidential information. We will have no obligation to establish or to maintain the intranet indefinitely, and may dismantle it at any time without liability to you. We may establish policies and procedures for the intranet's use. While we expect to adopt and adhere to a reasonable privacy policy, you acknowledge that, as administrator of the intranet, we can technically access and view any communication that anyone posts on the intranet. You further acknowledge that the intranet facility and all communications that are posted to it will become our property, free of any claims of privacy or privilege that you or any other individual may assert. If you fail to pay when due any amount payable to us under this Agreement, or if you fail to comply with any policy or procedure governing the intranet, we may temporarily suspend your access to any chat room, bulletin board, listserv or similar feature the intranet includes until such time as you fully cure the breach.

4 12 Pricing To the fullest extent permitted by applicable law, we reserve the right to establish maximum, minimum or other pricing requirements with respect to the prices you may charge for Equipment and Services.

4 13 Assignment by Us We may assign or transfer this Agreement and all of our rights, duties and obligations to any person, group, or Entity that we choose. Upon an assignment, we will be released from all of our duties and obligations. You will look only to our assignee for the performance of these duties and obligations. For purposes of this Section 4 13, the term "**assignment**" will include, but is not limited to, **(a)** a merger or consolidation by us or any of our affiliates into or with any other person or Entity, **(b)** the merger or consolidation of any person or Entity into us or any of our affiliates, **(c)** a sale of substantially all or any of our or our affiliates' assets, or **(d)** any other transaction that results in a change in control of our Entity.

5 YOUR OBLIGATIONS AND OPERATING STANDARDS

You covenant and agree as follows:

5 1 Development of Your Area of Primary Responsibility

(a) Development You will use your best efforts to actively promote and extend the 101 MOBILITY concept in the APR.

(b) Opening Deadline You may not begin offering or making Equipment sales or performing Services until you have received our written approval. Our approval will not be unreasonably withheld. You must open your Business Office and begin operating the Franchised Business and offering Equipment and Services by no later than 90 days after the Effective Date (the “**Opening Deadline**”).

5.2 Products and Services You Must Offer You must offer, sell, and provide only the Equipment and Services that we have approved in writing and only the Equipment and Services we have approved in writing. We have the right to add, modify, and discontinue authorized Equipment and Services at any time, in our sole discretion. We may also label specific Equipment or Services as optional or mandatory. You must offer for sale all Equipment and Services that we label as mandatory. If we authorize another franchisee to offer or sell a specific type of Equipment or Service, we are not required to authorize you to offer or sell the same Equipment or Services.

5.3 Vehicles You may either purchase or lease the Vehicle(s) necessary to operate your Franchised Business. We may require your Vehicles be a certain make, model, or color. We may also require that your Vehicles be new at the time of purchase or lease. You must purchase and install a vehicle wrap for each Vehicle we designate and you agree to purchase the graphics for the Vehicles from us or an authorized vendor. The graphics must be placed on the Vehicles in accordance with our specifications. The interior of all Vehicles will be outfitted in accordance with our standards and specifications.

5.4 Vehicle Maintenance and Upgrades You are responsible for maintaining and repairing all Vehicles used in connection with the Franchised Business at your own expense. You must regularly service your Vehicles and must keep each Vehicle in the highest degree of cleanliness, orderliness, sanitation, and repair. You may not make any material alteration, addition, replacement, or improvement to your Vehicles—including alterations to fixtures, furnishings, signs, and equipment—without our prior written consent. If we require you to upgrade, add to, or stop using any Vehicle, we will provide you with written notice of any additional or replacement Vehicles that you must purchase. If a Vehicle is more than five years old, we may require you to replace it.

5.5 Supplies, Equipment, and Services We may require that supplies, Equipment, and services purchased for your Franchised Business **(a)** meet certain specifications, **(b)** be a specific brand, kind, or model, **(c)** be purchased only from suppliers or service providers that we have expressly approved, and/or **(d)** be purchased from a single source that we choose (which may include us or our affiliates or a buying cooperative organized by us or our affiliates). We will publish all of our requirements in the Manuals or otherwise communicate them to you in writing. We may change the authorized supplies, Equipment, and services. We may also select specific supplies, Equipment, and services as optional or mandatory. You must use all items that we select as mandatory. You must comply with any terms, conditions, or other restrictions imposed by suppliers or service providers concerning your purchase. This includes, without limitation, terms of payment except to the extent that a charge by a supplier is being contested in good faith. You must maintain enough inventory of supplies and Equipment to meet our standards stated in the Manuals. If we revoke approval of a previously-approved item or service, you may continue to use the item or service for up to 60 days after our disapproval. You must then dispose of the formerly approved supplies or Equipment as we direct. We have the right to shorten this period if, in our opinion, the continued use of the item or service would prove detrimental to the System or our reputation.

You acknowledge and agree that we and our affiliates may negotiate purchase arrangements with designated and approved suppliers for your benefit and for the benefit of the franchise system, and that we may derive revenue or obtain rebates, bulk pricing discounts, or allowances from such suppliers on account of franchisee purchases or leases. You agree that, regardless of policy or practice, we have, at all times, the right to retain and use all such benefits as we deem appropriate, in our sole discretion.

5.6 Approval Process If you would like to **(a)** offer Equipment or Services, **(b)** use any supplies, Equipment, Vehicles, or services, or **(c)** purchase from a supplier or service provider that we have not approved, you must submit a written request for approval and provide us with any information that we

request. We have the right to inspect the proposed supplier's facilities and test samples of the proposed items and to evaluate the proposed service provider and the proposed service offerings. You agree to pay us a charge not to exceed the reasonable cost of the inspection and our actual cost of testing the proposed item or evaluating the proposed service or service provider, including personnel and travel costs, whether or not the item, service, supplier, or service provider is approved. We have the right to grant, deny, or revoke approval of items, services, suppliers, or service providers based solely on our judgment. We will notify you in writing of our decision as soon as practicable following our evaluation. If you do not receive our approval within 60 days after submitting all of the information that we request, our failure to respond will be deemed a disapproval of the request. We reserve the right to re-inspect the facilities and products of any approved supplier and to reevaluate the services provided by any service provider and to revoke approval of the product, service, supplier, or service provider if any fails to meet any of our then-current criteria. If you receive a notice of revocation of approval, you agree to stop purchasing the formerly-approved item or service or any products or services from the formerly-approved supplier or service provider and you must dispose of your remaining inventory of the formerly-approved items and services as we direct.

5.7 Business Office You must open and operate a Business Office in your APR. If you wish to change the address of your Business Office, you must provide us with advanced written notice and follow the procedure for Business Office location approval as set forth in this Section 5.7. Before entering into a lease for your Business Office, you must submit to us the proposed site lease and any information about the site that we request for our approval. We have the right to require your lease to include any provisions we reasonably require. If we grant written approval of your lease, you must deliver to us the completely executed lease within 10 days of its execution. You must comply with the terms and conditions of your lease. Your Business Office must be fitted out and constructed in accordance with plans approved by us. We will not supply such plans, but will review them after they are submitted to us for approval, and will inform you of any changes we believe appropriate. We reserve the right to require you to update your Business Office, including related signage, furniture, fixtures, and equipment, periodically to meet our current standards, but not more than once every three years.

5.8 Training

(a) Initial Training Prior to opening your Franchised Business, you, your Owners (if you are an Entity), and your Operating Principal must attend and satisfactorily complete the Initial Training program described in Section 4.2. Each following Operating Principal must attend our Initial Training for a reasonable fee unless we otherwise agree in writing. We will provide instructors, facilities, and materials for the Initial Training program at no charge. We reserve the right to charge a reasonable fee for training persons who are repeating the course or replacing a person who did not pass and for later Operating Principals who attend the course. You are responsible for any travel, living, and food expenses, wages, and any other expenses incurred by your trainees.

(b) Additional Training In addition to Initial Training, you must attend, and you must cause your Owners and Operating Principal to attend, and satisfactorily complete any training programs we may require periodically after you begin operations. Our annual conference will be deemed mandatory additional training. We may charge you a reasonable training fee for each additional training program, and you are responsible for any expenses involved in your attendees' attendance of and participation in such further training including, for example, any applicable travel, living, and food expenses, and wages.

(c) Additional Assistance We may, in our discretion, agree to provide you with additional in-person assistance upon your specific request, where such in-person assistance is provided on-site at your Franchised Business or at a location other than our headquarters. We may also determine, in our discretion, that you or certain individuals require additional in-person assistance. You must pay for the travel, living, and food expenses of our trainers as well as our Consulting Fee for each person providing the additional assistance. All expenses and the Consulting Fee are payable within 15 days of the rendering of services. We will have the right to increase the amount of the Consulting Fee once within any 12-month period. You

acknowledge and agree that any consultation and/or advice that we provide to you will not relieve you of your responsibilities to comply with all applicable laws, rules, and regulations with respect to your operation of the Franchised Business and that you will seek the advice of local counsel where necessary

5.9 Customers

(a) **Customers You May Serve** Except as provided in Section 1.4, you may only sell Equipment and provide Services directly to customers located in your APR. You must refer any inquiries to us that you receive from prospective customers that are located outside of your APR, that request you to provide Services or to deliver and install Equipment outside of your APR, or from prospective franchisees that are interested in establishing franchises outside of your APR.

(b) **Customer Data** You agree that all data and information collected by you from customers and potential customers in connection with your Franchised Business ("**Customer Data**") is owned by us. You also agree to give us, or grant us unlimited access to, the Customer Data any time we request it. You have a license and right to use Customer Data while this Agreement or a replacement or renewal franchise agreement is in effect, but only in line with the policies that we establish and applicable law. You may not sell, transfer, or use Customer Data for any purpose other than marketing Equipment and Services and the operation of your Franchised Business in accordance with this Agreement.

5.10 National Accounts We may, but we are not obligated to, negotiate and enter into national or regional account or referral arrangements with certain customers or third parties ("**National Accounts**"). We have the sole and absolute discretion to name a particular customer or third party arrangement as a National Account and to name the terms and conditions of the National Account agreements and of the division of National Account business. We may designate any of your current or prospective national or regional customers or third party arrangements as National Accounts without paying you any compensation. If we establish a National Accounts program, we will have the sole and absolute discretion to determine who will service the National Account, regardless of whether or not sales related to or through such National Account result in Inside or Outside APR Sales. We may, but are in no way obligated to, provide you with the option to service National Account customers whether for Inside APR Sales or otherwise. Should we offer to you the opportunity and you elect to participate in a National Account program, you agree to service such National Account in line with the pricing and other terms that we have negotiated and any rules that we have set, which we reserve the right to modify periodically. You may elect not to participate in any National Account program by providing us notice of your election within five days of your receipt of our notice to you of an available National Account. You may end your participation in the National Account program by giving us at least 30 days' prior written notice. If we terminate your participation in a National Account program, which we reserve the right to do for any or no reason, or you elect not to participate, terminate your participation, or fail to satisfy the conditions and obligations of any National Account, we have the right to service and/or authorize others, including any system franchisee or other third party, to service National Account program customers in your APR without any compensation to you. If you are later willing and able to provide service in your APR, we have no obligation to give you the program or transfer any National Account back to you. You must not enter into contrary arrangements with National Accounts. To the extent that we receive payment directly from a National Account customer, we will deduct from the payment the amount of all fees and other payments that you owe to us, and remit to you the balance within a reasonable period of time.

5.11 Marketing

(a) **Approval Requirement** You must obtain our prior written approval before using or reproducing any advertising or promotion materials, regardless of the media for which they are intended, using any of the Marks. If any of your advertising is in media that will or may reach a significant number of persons outside of your APR, you must notify us in advance and obtain our consent. You must conduct all advertising in a dignified manner and in conformity with the standards and requirements we specify in the Manuals. We may establish rules and policies periodically regarding advertising. We will have the

final decision on all creative development of advertising and promotional messages. If our written approval is not received within 10 business days from the date we received the material, the material is deemed disapproved. We reserve the right to require you to discontinue the use of any advertising or marketing materials.

(b) Initial Launch Advertising. You must spend between \$4,000 and \$6,000, as we designate, for initial launch advertising and promotion in the two weeks before opening the Franchised Business and during the four months after it opens in line with a plan that we approve. We will give you an initial launch advertising plan template, which you may modify; however, we have the right to approve or disapprove your changes, in our sole discretion. No amount paid by you for your initial launch will be credited towards any of your other advertising duties. You must give us documents that prove these expenses on request. We may require you to pay us any or all of the initial launch advertising amount, rather than third parties, to put into action all or part of your initial launch advertising program.

(c) Local Marketing. At our election, we may require that you spend up to 2% of Gross Sales per month on approved marketing, advertising, and promotional activities within your APR. If and when requested, you agree to provide us with a copy of your marketing campaign and budget for the period we request—for example, whether monthly or quarterly—for our review and approval. We may also request, and you agree to provide, any documentation we deem necessary to confirm the required local marketing expenditures have been made.

(d) Marketing Cooperatives. You agree to join and actively participate in any organizations or associations of franchisees or advertising cooperatives that we establish or that are established at our direction for the purpose of promoting, coordinating, and purchasing advertising in local, regional, or national areas where there are multiple 101 MOBILITY Businesses and to abide by the bylaws, rules, and regulations duly required by us and as supplemented by the organization to the extent such supplements are not inconsistent with our requirements. Fees paid by you as contribution to any such associations and cooperatives formed will be credited towards your local marketing expenditure requirement.

(e) Websites and Online, Electronic, and Digital Presence. You are not authorized to have a website for your 101 MOBILITY Business, to register any domain names relating to 101 Mobility or the Marks, to have a webpage related to your 101 MOBILITY Business, other than any mini-site/landing page we provide for you, on any third party website or to maintain a blog or social media site for your 101 MOBILITY Business. You must, on our request, provide promotional materials or information relating to your 101 MOBILITY Business to include on our website. Also, you may not establish or maintain any recognizable portion of the Marks, or terms that may suggest an affiliation with us, for use or display as all or part of an e-mail address, Internet domain name, uniform resource locator (“URL”), or meta-tag, or in connection with any Internet home page, web site, or any other Internet-related activity without our express written consent, and then only in accordance with our procedures, standards, and specifications. This prohibition also includes the use or registration of the Marks, or any derivative of the Marks, as a part of any user name, account, or in any other way that may suggest an affiliation with us or the franchise system, on any gaming, blogging, user review, video sharing, or social networking website, or as part of any unauthorized email address. You may not use the Marks, any recognizable portion of the Marks, or any of the Copyrighted Material on the Internet, in any electronic or digital form, or on or through any electronic or digital medium, unless expressly permitted by us in writing.

(f) Internet Advertising. You must participate in all internet advertising or marketing campaigns or programs we designate from time to time. This includes, without limitation, any ad word or similar campaigns. We reserve the right to manage any such campaigns or programs on your behalf and may also elect to pay the third party providers of such campaigns or programs directly, for which costs you agree to reimburse us on such due date and by such payment method we designate.

5.12 Conferences. You, your Owners, and your Operating Principal must attend franchisee conferences, meetings, and teleconferences that we require in the Manuals or in writing. You are

responsible for arranging and paying for transportation, accommodations, meals, wages, and other expenses incurred by your representatives in connection with such attendance. If we designate such meetings as additional training we may also charge you a reasonable training fee for each attendee.

5.13 Franchisee Advisory Council If we create an advisory council of franchisees ("**Franchisee Advisory Council**") to advise us on various issues and strategies, the Franchisee Advisory Council will have an advisory role, but no operational or decision-making power. We may change the structure and process of the Franchisee Advisory Council or end the Franchisee Advisory Council at any time. If we establish a Franchisee Advisory Council, you must participate in all related activities and meetings and pay any dues related to the Franchisee Advisory Council.

5.14 Computer System, Data Security

(a) Computer Systems and Communications Links You must purchase, install, and use, at your expense, the hardware, software, on-line services, and communications links that we periodically designate. You must maintain a landline telephone for your business and listings of your business in telephone directories that we suggest. You agree to **(a)** maintain on the computer system only the financial and operating data specified in the Manuals, **(b)** use the computer system in line with our policies and operational procedures, **(c)** transfer data to us in the form and at the times required by the Manuals, **(d)** give us unrestricted access to your computer system at all times (including users IDs and passwords, if necessary, and remote access, if possible) to download and transfer Franchised Business related data via modem or other connection as we determine—there is no limit on our right to access or use this information, **(e)** maintain the computer system in good working order at your own expense, **(f)** install any other hardware or software for the operation of the Franchised Business that we may require in the future, including any enhancements, additions, substitutions, modifications, and upgrades, and **(g)** ensure that your employees are sufficiently trained in the use of the computer system and our related policies and procedures. You acknowledge that computer designs and functions change periodically and that we may make large changes to the computer specifications or require the installation of an entirely different system. If we require you to purchase, install, and use any additional or upgraded or updated software, you agree to execute any required license or end user agreements and pay any fees associated with the software that we or the licensor of the software require. Contemporaneously with this Agreement you must execute our Software License Agreement, included as Attachment B to this Agreement, and pay any required fees described thereunder. The Software License Agreement grants you the right to use the System's MOBILINK software, a proprietary business management software program, in accordance with its terms.

(b) Data Security and PCI Compliance You agree to accept debit cards, credit cards, or other non-cash systems that we specify periodically in your operation of the Franchised Business and to acquire and install all necessary hardware and/or software used in connection with these non-cash systems. You acknowledge and agree that protection of customer privacy and credit card information is necessary to protect the goodwill of Businesses operating under the Marks and System. Accordingly, you agree that you will cause the Franchised Business to meet or exceed, at all times, any reasonable standards we may prescribe, as well as all applicable security standards developed by the Payment Card Industry Standards Council or its successor, the standards set by applicable privacy laws and regulations, and other laws, regulations, and industry standards applicable to the protection of customer privacy and credit card information. You are solely responsible for educating yourself as to these regulations and standards, and for achieving and maintaining applicable compliance certifications. You agree to defend, indemnify, and hold us and our affiliates harmless from and against all claims arising out of or related to your violation of the provisions of this Section 5.14(b). You further agree to provide us with any information we require concerning your compliance with the requirements in this Section, and to demonstrate your compliance on reasonable request, which may include undergoing an independent third party audit. In the event you are unable to demonstrate full compliance, we may require that you engage the services of an approved vendor to assist you on an ongoing basis and to abide by such vendor's recommendations.

5.15 Manuals

(a) **Compliance with the Manuals** You must comply with each rule, procedure, standard, specification, and requirement stated in the Manuals. They may be amended, modified, or supplemented periodically and such updates provided to you by letter, email, bulletin, software or any other communication method we elect. You must promptly obey the revised standards and procedures. The Manuals will be provided in hard copy, in electronic form, or such other format as we decide in our sole discretion.

(b) **Use of the Manuals** You agree to keep your copy of the Manuals up-to-date. If there is any dispute as to the current contents of the Manuals, our master copy kept at our headquarters will control. You acknowledge that we own the copyright in the Manuals and that your copy remains our property and will be returned to us immediately on ending or termination of this Agreement. You will treat the Manuals, and the information contained in them, as confidential and you will maintain the confidentiality of this information. You will not, without our prior written consent, copy, duplicate, record, use, or otherwise reproduce in any way the Manuals or make their contents available to any unauthorized person, except as provided in Section 5.19.

5.16 Insurance You must maintain at your expense in full force and effect throughout the Initial Term and Renewal Terms the types of insurance and the minimum policy limits and deductibles stated in the Manuals. Such policies will be written by a responsible carrier or carriers acceptable to us. The insurance policy or policies must protect you, us, our parents, our affiliates, and each entity's respective, past, present, and future officers, directors, owners, managers, members, employees, consultants, attorneys, and agents against any loss, liability, personal injury, death, property damage, or expense of any kind arising out of, or in connection with the Franchised Business, including the condition, operation, management, use, or occupancy of your Franchised Business and Vehicles. To the fullest extent permitted by law, we and our parents, affiliates, and subsidiaries (including each entity's respective, past, present, and future officers, directors, owners, managers, members, employees, consultants, attorneys, and agents) must be added/named as additional insureds on all coverages on which additional insureds can be added, even for claims regarding the additional insureds' sole negligence. The coverage offered to the additional insureds will be primary coverage to any other coverage maintained by the additional insureds and will not permit or require such other coverage to contribute to the payment of any loss. Policies must also contain a waiver of subrogation in favor of the additional insureds. You must provide to us any documentation we require to evidence your compliance with this Section, where such documents may include, without limitation, additional insured endorsements and your insurance certificates. We may require additional types of coverage or increase the required minimum amount of coverage on reasonable notice. Your obligation to obtain coverage is not limited in any way by insurance that we maintain. Your insurer(s) must commit not to cancel or amend the policy or policies without at least 30 days' prior written notice to us. If you fail to obtain and maintain insurance coverage as required by this Agreement, we have the right, but not the obligation, to obtain the required insurance on your behalf and to charge you for the cost of the insurance plus a reasonable fee for our services in obtaining the insurance, which you agree to pay on demand.

5.17 Intellectual Property

(a) **Acknowledgements Regarding Marks, Trade Dress, and Copyrighted Materials** You acknowledge that 101 Mobility, LLC ("**Licensors**") is the owner of the Marks, Trade Dress, and Copyrighted Materials. You have no interest in the Marks, Trade Dress, and Copyrighted Materials other than the nonexclusive License granted herein, and that between you and us, we have the exclusive right and interest in and to the Marks, Trade Dress, and Copyrighted Works, and the goodwill associated with and symbolized by them. On the expiration or termination of this Agreement, no monetary amount will be attributable to goodwill associated with your activities as a franchisee under this Agreement or otherwise.

(b) **Marks and Trade Dress** Your right to use the Marks and the Trade Dress applies only to your Franchised Business as clearly stated in this Agreement. You may only use in your Franchised Business the

Marks and the Trade Dress that we name, and only in compliance with written rules that we or Licensor prescribe periodically. You will not use any of the Marks, or any part of the Marks, as part of your or any Entity name. You will not use the Marks with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to you hereunder), or use any of the Marks or the Trade Dress in connection with the sale of any unauthorized product or service or in any manner not explicitly authorized in writing by us. Your right to use the Marks and Trade Dress is limited to the uses authorized under this Agreement and in the Manuals, and any unauthorized use thereof will constitute an infringement of our rights and grounds for termination of this Agreement. You must post in a prominent place in your Franchised Business and on each of your Vehicles readily visible to the public a notice indicating that you are an independent franchised operator under the System and that you are using the Marks and the Trade Dress under license. No materials on which any of the Marks or the Trade Dress appears shall be used by you without our prior written approval, which may be revoked at any time upon reasonable notice to you. You may not use "101 MOBILITY", any other Mark, or any similar name as a domain name or on any website on the Internet or any other communication network, electronic or otherwise, unless we expressly authorize that use in writing.

(c) **Copyrighted Materials** You will use the "Copyrighted Material" which includes, but is not limited to, the design elements of the Marks, advertising materials, marketing materials, training materials, signs, the content and design of our website, the Manuals, the MOBILINK Software, as well as other materials we, Licensor, or our franchisees may periodically develop, only in connection with the operation and promotion of the Franchised Business and in the manner required or authorized and permitted by us. Your right to use the Copyrighted Materials is limited to the uses authorized under this Agreement and in the Manuals, and any unauthorized use thereof will constitute an infringement of our rights and grounds for termination of this Agreement.

(d) **No Contesting Our Rights** During the Term of this Agreement and after its expiration or termination, you agree not to directly or indirectly challenge Licensor's or our ownership, title, right, or interest in or to, or our license to use or the validity of, the Marks, the Trade Dress, or the Copyrighted Materials, or any trade secrets, methods or procedures that are part of the System (collectively, the "**Intellectual Property**"), or challenge Licensor's or our sole right to register, use, or license others to use the Intellectual Property.

(e) **Changes to the Intellectual Property** We have the right on reasonable notice, to change, discontinue, or substitute any of the Intellectual Property and to adopt new Intellectual Property for use with the System without any liability to you. You agree to implement any such change at your own expense within the time we reasonably specify.

(f) **Third-Party Challenges** You agree to notify us promptly of any unauthorized use of the Intellectual Property of which you have knowledge. You also agree to inform us promptly of any challenge by any person or Entity to the legitimacy of our or Licensor's ownership of or our right to use or license others to use any of the Intellectual Property. We or Licensor have the right, but no obligation, to initiate, direct, and control any negotiations, litigation, or administrative proceeding relating to the Intellectual Property, including, but not limited to, any settlement. We or Licensor will be entitled to retain any and all proceeds, damages, and other sums, including attorneys' fees, recovered or owed to us or our affiliates in connection with any negotiation or action. You agree to execute all documents and render any other assistance we may deem necessary to any such negotiation or proceeding or any effort to maintain the continued validity and enforceability of the Intellectual Property.

(g) **Post-Termination or Expiration** On the expiration or termination of this Agreement for any reason, all of your rights to use the Intellectual Property will automatically return to us without cost and without the execution or delivery of any document. On our request, you must execute all documents that we require to confirm such return.

5 18 Improvements You may not introduce any improvement or modification of or to the System, the Intellectual Property, the Services, or the Equipment without our prior written consent. If you or any of your owners develops any new concept, product, service, sales technique, or improvement in the operation or promotion of the Franchised Business (including any computer software enhancements), you must promptly notify us, and provide to us all necessary related information. Any and all such improvements to the System, the Intellectual Property, the Services, or the Equipment that you develop (whether or not consented to) will automatically become our property without any compensation to you. If such improvements may be protected by trademark, copyright, patent, trade secret, or other laws, then you must execute the documents that we may require to prove ownership of such improvements, to transfer ownership thereof to us, and to file related registrations or recordings. By signing this Agreement, you and each principal assign your respective rights in and to the concept, product, sales technique or improvement to us and permit us to use or disclose the information to other System franchisees as we determine appropriate, without providing you any compensation.

5 19 Confidential Information

(a) Receipt of Confidential Information You acknowledge that during the term of this Agreement, we will reveal to you, orally or in writing, certain Confidential Information. “**Confidential Information**” means all trade secrets, and other elements of the System, all customer information, all information contained in the Manuals, financial information, marketing data, vendor and supplier information, standards and specifications, and all other knowledge, trade secrets, or know-how concerning or relating to the System, our business, or the establishment, construction, management, operation, or promotion of Franchised Businesses. Confidential Information does not include **(i)** information that is public or becomes public not through you, **(ii)** information revealed to you by a third party who has valid and unrestricted control of the information, or **(iii)** information that you can prove by clear and convincing evidence was in your genuine and unrestricted possession when the parties began discussing the sale of a 101 MOBILITY Business to you.

(b) Nondisclosure of Confidential Information You will not use or disclose or permit any person to use or disclose any Confidential Information (including, without limitation, any portion of the Manuals) to any other person. You may only disclose the amount of information necessary for your advisors and employees to perform their jobs in the operation of the Franchised Business. You will be liable to us for any unauthorized use or disclosure of Confidential Information by any of your employees or any other you disclosed Propriety Information too. You must take reasonable measures to protect the Confidential Information from unauthorized use or disclosure and use any systems, procedures, or programs that we require. You must require anyone who may have access to the Confidential Information to execute non-disclosure agreements in a form acceptable to us that identifies us as a third-party beneficiary of the agreements with the right to enforce them.

5 20 Taxes You must pay on time all taxes, assessments, and governmental charges on or against you or your real or personal properties, income, and revenues, unless the validity, applicability, or amount of such tax, assessment, or governmental charge is being contested in good faith by the correct proceedings. In such cases, the correct funds must be maintained to pay the disputed amount, if necessary.

5 21 Bookkeeping and Records You must keep complete and accurate books, records, and accounts of all business conducted under this Agreement in line with generally accepted accounting principles. You must preserve all of your books and records in hard copy or in a format where hard copies can be easily made for at least five years from the date preserved or longer if required by law. You must maintain such information and records on your computer system. We may require in the Manuals and you acknowledge and agree that we will have access to that data remotely via a network connection that we will specify. At our request, you must retain and use an accountant or accounting firm that we approve.

5 22 Reports and Financial Statements You must submit financial and operational reports and records and your tax returns to us at the times and in the method stated in the Manuals. You must submit

an unaudited statement of sales and profits and losses for each month to us, within ten days of the end of the month. Within 90 days after the end of each fiscal year, you must have your accountant submit to us your balance sheet and income statement for the fiscal year. You or your Operating Principal must certify that the fiscal year end income statement and balance sheet are correct and complete, and that they have been prepared in line with generally accepted accounting principles. We have the right to demand audited financial statements if an Event of Default has occurred within the last fiscal year. You must provide us with your tax returns within 14 days after you have filed your taxes.

5.23 Additional Information You must respond promptly to requests from us for clarification and/or additional information about any matter entrusted to you under this Agreement. We may periodically require information about your financial condition, earnings, sales, profits, costs, expenses, and performance to provide information to prospective or current franchisees, to comply with applicable laws and regulations, or for any other purpose we deem appropriate. You must provide such information promptly on our request, and you must certify that such information is true and complete in all material respects.

5.24 Auditing Without restricting the above sections, we may, at any time, audit or cause to be audited any statement you are required to submit under Sections 5.21 or 5.22. We may review or cause a review, of all records maintained by any bank or other financial institution used by you for the Franchised Business. If any audit or review reveals an understatement of fees due for any period, you must pay to us, **(a)** all additional Operating Fees or other amounts required based on the audit or review and **(b)** if the understatement is more than 2% of Gross Sales, the cost of the audit or review, including without limitation the charges of any independent accountant and the cost of travel, meals, lodging, and compensation of the accountant and employees or other agents of us and any other direct costs we incur internally as a part of the audit. This must be paid within 15 days after a demand for payment is made. You must on demand pay to us any late fees at the interest rate of 18 percent per annum or at the maximum rate allowed by law, whichever is less, calculated from the date the fees should have been paid to the date of actual payment.

5.25 Inspection Using our employees and any designees during business hours and without prior notice to you, we have the right to **(a)** inspect the Franchised Business, including the Vehicles, the Business Office and the Warehouse for compliance with the Manuals, **(b)** to videotape, photograph or record the operation of your Franchised Business, **(c)** to interview your employees, landlords (if any), and customers, **(d)** to examine the records, invoices, payroll records, check stubs, sales tax records and returns, and other supporting records and documents of your Franchised Business, and **(e)** to examine your income tax records and any other information, records or properties relating to the ownership, management, or operation of your Franchised Business. Our right to inspect your business records includes records maintained electronically or off-site. You must cooperate with inspections by giving our representatives unrestricted access and assistance as reasonably requested. If we notify you of any deficiencies after the inspection, you must promptly take steps to correct them. If you fail to correct any deficiencies within a reasonable time, we have the right, but not an obligation to correct them and charge you a reasonable fee, due immediately. Inspections will be made at our expense, unless they are required by your repeated failure to meet the terms of this Agreement. In this case we may charge you the costs of making the inspection. These costs include compensation for our representatives and their travel, living, and expense costs.

5.26 Indemnification You agree to hold harmless, defend, and indemnify us, our parent companies, affiliates, and subsidiaries, and each of our and their respective past, present, and future officers, directors, shareholders, managers, members, owners, partners, agents, attorneys, consultants, management companies, and employees (collectively, “**Indemnitees**”) to the fullest extent permitted by law from any and all “**losses and expenses**” (as hereinafter defined) resulting directly or indirectly from, as a result of, or in connection with **(i)** injury of any kind (including monetary, mental, or physical—including death) to any person (including your employees) or damages to any property of whatsoever kind and nature arising out of or in any manner connected with the Franchised Business, **(ii)** the Franchised Business and your operation thereof, including, but in no way limited to, losses and expenses arising as a result of product

liability or the maintenance and operation of Vehicles, **(iii)** any of your employees', contractors', agents', or representatives' acts, omissions, and claims, or **(iv)** your activities under or any breach of this Agreement, where the foregoing include, without limitation, those losses and expenses alleged to be caused in whole or in part by any act, omission, negligence, or strict liability of the Indemnitees. It is expressly understood and agreed that the indemnity contained in this Section covers claims by your employees, as well as any liability or claims arising from labor and employment law violations, and that you expressly waive any defense to this indemnification obligation which may arise under the workers' compensation laws of any State. We have some rights concerning any threatened or actual litigation, proceeding, or dispute that could directly or indirectly affect us or any of the other indemnitees. For the purpose of this Section 5.26, the term "**losses and expenses**" will be deemed to include damages (including compensatory, exemplary, and punitive damages), demands, fines and penalties, attorneys' fees, experts' fees, court costs, costs associated with investigating and defending against claims, settlement amounts, judgments, compensation for damages to our reputation and goodwill, and all other costs associated with any of the foregoing losses and expenses. Under no circumstances will we be required or obligated to seek recovery from third parties or otherwise mitigate our losses in order to maintain a claim under this provision, and our failure to seek such recovery or mitigate our loss will in no way reduce the amounts of recovery by us under this provision.

You must notify us immediately of any event you are aware for which indemnification is required. Under this Section 5.26, we will have the right, but not the obligation, to **(a)** choose counsel, **(b)** direct and control the handling of the matter, and **(c)** settle any claim against the Indemnitees. Our assumption by us will not modify your indemnification obligation. We may, in our sole and absolute discretion, take such actions as we deem necessary and appropriate to investigate, defend, or settle any event resulting in losses and expenses under this Section 5.26 or take other remedial or corrective actions with respect thereof as may be, in our sole and absolute discretion, necessary for the protection of the Indemnitees or the System.

This Section 5.26 will survive the expiration or termination of this Agreement and applies to all losses and expenses even if they exceed the limits of your insurance coverage.

5.27 Your Covenant Not to Compete

(a) During Term. You acknowledge that you will receive valuable and specialized training. You will also receive confidential information regarding the manufacturing, operational, sales, promotional, and marketing methods of the 101 MOBILITY concept. During the term of this Agreement, unless we give you our prior written consent, you and your Owners agree that you will not, directly or indirectly by yourselves, or on behalf of, with, or through any other person or entity

(i) own, manage, engage in, be employed by, advise, make loans to, or have any other interest in any business that offers, sells, rents, installs, or services, at retail or wholesale, mobility-related or accessibility-related equipment ("**Competitive Business**") at any location or to customers within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which we or our affiliates have used, sought registration of, or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks, by any means, including, without limitation, sales via the Internet or catalogs,

(ii) divert or attempt to divert any past, current, or potential business, customer, or franchisee of any 101 MOBILITY Business to any Competitive Business, by direct or indirect inducement or otherwise,

(iii) perform, directly or indirectly, any other act harmful to the goodwill associated with the Marks and the System, or

(iv) employ, seek to employ, or directly or indirectly solicit employment of any person who has been employed by us, our affiliates, or any System franchisee (including you) within the past 12 months.

(b) After Termination, Expiration, or Transfer For two years after the expiration, termination, or transfer of this agreement, you and your Owners agree that you will not, without our prior written consent, directly or indirectly, by yourselves or on behalf of, with, or through any other person or entity (i) own, manage, engage in, be employed by, advise, make loans to, or have any other interest in any Competitive Business that operates, is located, or offers or provides products or services within your APR, a 10-mile radius surrounding your APR, or within any APR assigned to a 101 MOBILITY Business (ii) solicit any current or potential business, customer, or franchisee of 101 MOBILITY Businesses, or any past business or customer with whom you had material contact during the two (2) year period prior to expiration or termination of this Agreement, or (iii) employ, seek to employ, or directly or indirectly solicit for employment any person who has been employed by us, our affiliates, or any System franchisee within the past 12 months For your Owners, the time period in this Section 5 27(b) will run from the earlier of the expiration, termination, or transfer of this Agreement or from both the termination of the Owner's ownership interest in you and Owner's relationship with you, such as any management, advisory, or employment relationship

(c) Publicly Traded Corporations Ownership of less than five percent of the outstanding voting stock of a publicly traded corporation will not violate this Section 5 27

(d) Covenants of Owners and Employees The Owners personally bind themselves to this Section 5 27 by signing the attached Guarantee You must also get your officers, directors, managers, and other individuals we designate to execute agreements that contain noncompete covenants similar to those in this Section 5 27 and in the Manuals The agreements must be in a form acceptable to us and specifically identify us as having the independent right to enforce them

(e) Enforcement of Covenants You acknowledge and agree that (i) the time, territory and scope of the covenants provided in this Section 5 27 are reasonable and necessary for the protection of our legitimate business interests, (ii) you have received necessary consideration in exchange for those covenants, (iii) enforcement of the same would not force excessive hardship, and (iv) the period of protection provided by these covenants will not be reduced by any time during which you are in violation of those covenants or any period of time required for enforcement of those covenants If this Section 5 27 is legally determined unenforceable because of its scope, area or length of time, it may be made enforceable by that reducing the unenforceable factor The other factors will be enforced to the fullest extent acceptable You agree that any claim you may have against us will not create a defense to our enforcement of the covenants in this Section 5 27 You acknowledge that any breach or threatened breach of this Section 5 27 will cause us irreparable injury and no adequate remedy at law is available You consent to an injunction prohibiting any conduct violating the terms of this Section 5 27 The injunctive relief will be in addition to any other remedies that we may have

(f) Additional Provisions The parties acknowledge and agree that we have the right, in our sole discretion, to reduce the scope of any covenant set forth in this Section 5 27, or any portion thereof, without your consent or the consent of any Owner, effective immediately upon delivery of written notice to the affected party, and you and each Owner agree that such person will comply forthwith with any covenant as so modified, which shall be fully enforceable You and each Owner expressly agree that the existence of any claims you may have against us, whether or not arising from this Agreement, does not constitute a defense to the enforcement by us of the covenants in Sections 5 19 and 5 27 You agree to pay all costs and expenses (including reasonable attorneys' fees) incurred by us in connection with the enforcement of Sections 5 19 and 5 27

5 28 Transfer and Assignment

(a) Definition of Transfer For purposes of this Agreement, "**Transfer**" as a verb means to sell, assign, give away, transfer, pledge, mortgage, or encumber, either voluntarily or by operation of law (such as through divorce or bankruptcy proceedings), any interest in this Agreement, the License, the Franchised Business, substantially all the assets of the Franchised Business, or in the ownership of the franchisee (if

you are an Entity) **"Transfer"** as a noun means any such sale, assignment, gift, transfer, pledge, mortgage, or encumbrance

(b) No Transfer without Our Consent This Agreement and the License are private to you. We have granted the License in reliance on your (and, if you are an Entity, your Owners') business skills, financial capacity, and personal character. So, neither you nor any Owner may make any Transfer or permit any Transfer to occur without getting our prior written consent. If you or any of your Owners want to make a Transfer, you must promptly provide us with written notice. Any alleged Transfer, without our prior written consent, will be null and void and will create an Event of Default. If this occurs, we may terminate this Agreement without an opportunity to cure the default. We have the right to communicate with you, your counsel, and the proposed transferee on any part of a proposed Transfer. You agree to provide any information and documentation about the proposed Transfer that we reasonably require. Our consent to a Transfer does not abandon any claims that we have against the transferor. Our consent does not waive our right to demand strict compliance with the Agreement.

(c) Transfer of Entire or Controlling Interest in Franchised Business This Section 5.28(c) applies to all other Transfers not described in Sections 5.28(d) and (e) below, including Transfers which include the sale or transfer of your interest in this Agreement, the sale or transfer of all or substantially all of the assets of the Franchised Business (which must be in connection with the transfer of this Agreement), and the sale of a Controlling Interest in you if you are an Entity. For the purpose of determining whether you are transferring and/or selling a Controlling Interest or a Non-Controlling Interest, **"Control"** means the ability to direct the business decisions of a business entity or to exercise the voting rights of fifty percent (50%) or more of the voting shares or interest of a business entity, or ownership of fifty percent (50%) or more of the shares or interest of a business entity, or the ability to appoint half or a majority of the directors (or equivalent officers) of a business entity. We will not unreasonably withhold our consent to a Transfer under this Section 5.28(c), but may condition our consent on satisfaction of any or all of the following:

(i) You must satisfy all of your accumulated monetary obligations to us, our affiliates, and your third party suppliers.

(ii) You and your Owners must be in compliance with all obligations to us under this Agreement and any other agreement that you have with us and our affiliates by the date of the request for our approval of the Transfer. If you are not in compliance by this date, then you must make arrangements acceptable to us to be in compliance by the date of the Transfer.

(iii) You and your Owners must execute a general release, in a form that we select. This form will relieve us, and our parents, affiliates, and subsidiaries (if any) and each of our and their respective past, present, and future officers, directors, managers, members, equity holders, agents, and employees, from all claims, demands, damages, and liabilities including without limitation claims arising under federal, state, and local laws, rules, and regulations.

(iv) You and your Owners must agree to remain liable for all of the obligations to us in connection with the Franchised Business that occur before the effective date of the Transfer. You must execute any and all documents that we reasonably request to prove such liability.

(v) You and all your Owners agree to act as if this Agreement has expired or been terminated on the effective date of the Transfer and, as such, abide by all post-termination obligations under this Agreement as well as those provisions which survive expiration or termination, including, without limitation, Sections 5.17, 5.19, 5.26, 5.27, 7, and 8.

(vi) You must pay us a transfer fee in the amount stated in Attachment A (the **"Transfer Fee"**).

(vii) Your proposed transferee (or, if the transferee is not an individual, then each Owner) must show that he or she meets our qualifications to become a 101 MOBILITY franchisee. If the

transferee is already a 101 MOBILITY franchisee, he or she must not be in default under any agreements with us, must have a good record of customer service and compliance, and must meet our then-current requirements for a new 101 MOBILITY franchisee. In addition, your proposed transferee's proposed Operating Principal must be reasonably satisfactory to us.

(viii) Your proposed transferee executes our then-current form of franchise agreement and pays all initial fees due thereunder, including, without limitation, the Initial Marketing Fee and Initial Software License Fee. The terms of our then-current form of franchise agreement may be materially different than the terms of this Agreement and may include, among other things, a different percentage royalty fee and different marketing obligations. The term of such agreement will be the remaining term of this Agreement at the time of transfer.

(ix) If your proposed transferee is a business Entity, then each of the transferee's Owners must sign our standard form of Guarantee. If any person required to sign a Guarantee is a corporation or other business entity (an entity other than a natural person), then its owners and parents also shall execute the Guarantee, it being the intent of the parties that each entity in the chain of ownership, and each natural person holding a beneficial interest in the franchise, either directly or indirectly through business entities, execute the Guarantee.

(x) Your proposed transferee and their representatives must successfully complete our then-current training requirements at their expense.

(xi) The sale must include all material assets used with your Franchised Business and your proposed transferee must upgrade the Vehicles and Business Office. This upgrade must be done at their own expense and it must follow our then-current standards and specifications for new Franchised Businesses.

(xii) Your proposed transferee must covenant that it will continue to operate under the Marks and using the System.

(xiii) You must have requested consent in writing and delivered to us a copy of the proposed transfer agreements, including sale terms, at least thirty (30) days prior to the proposed transfer, and we have determined, in our sole and reasonable discretion, that the terms of the sale will not materially and adversely affect the post-transfer viability of the Franchised Business.

(d) **Transfer of Non-Controlling Interest.** You must give us an advance notice and submit a copy of all proposed contracts and other information for any proposal to admit a new Owner, remove an existing Owner, or change the distribution of ownership shown on Attachment A, such that no Controlling Interest is transferred. We have a reasonable time (not less than 30 days) after we have received all requested information to evaluate the proposed Transfer. You and your new Owners must satisfy the conditions in Sections 5.28(c)(i), (ii), (iii), (iv), (v), (vi), (vii) and (ix), under which all new Owners will be required to execute our standard form of Guarantee, and pay us the applicable Transfer Fee as set forth in Attachment A. We may withhold our consent on any reasonable grounds or give our consent subject to any reasonable conditions. You acknowledge that any new Owner must submit a personal application and any information we require of prospective franchise Owners.

(e) **Transfer to an Entity for Convenience.** We will consent to the assignment of this Agreement to an Entity that you form for the convenience of ownership, provided that (i) the Entity has and will have no other business besides operating the Franchised Business, (ii) you provide to us a copy of the Entity's formation and governing documents and a certificate of good standing from the jurisdiction under which the Entity was formed, (iii) you satisfy the conditions in Sections 5.28(c) (iii), (vi), and (ix), (iv) the Owners hold equity interests in the new Entity in the same proportion shown on Attachment A, and (v) you pay to us the applicable Transfer Fee as set forth in Attachment A.

(f) Transfer Upon Death Or Incapacity If you or any Owner dies or becomes incapacitated, that person's executor, administrator, personal representative, or trustee must apply to us in writing within three months after the event (death or declaration of incapacity) for consent to Transfer the person's interest. The Transfer will be subject to the provisions of this Sections 5 28, as applicable. In addition, if the deceased or incapacitated person is you or the Operating Principal, we will have the right (but not the obligation) to take over operation of the Franchised Business until the Transfer is completed and to charge a reasonable management fee for our services. For purposes of this Section 5 28, "**incapacity**" means any physical or mental illness that will prevent the person from performing his or her obligations under this Agreement **(i)** for a period of 30 or more consecutive days or **(ii)** for 60 or more total days during a calendar year. In the case of Transfer by inheritance, if the heirs or beneficiaries are unable to meet the conditions of Section 5 28(c), the executor may transfer the decedent's interest to another successor that we have approved, subject to all of the terms and conditions for Transfers contained in this Agreement. If an interest is not transferred under this Section 5 28(f) within 120 days after the date of death or appointment of a personal representative or trustee, we may terminate this Agreement under Section 6 2.

(g) Our Right Of First Refusal

(i) Our Right We have the right within 45 days of receiving your notice of intent to Transfer with the required documentation and information, to send you a written notice that we plan to purchase the interest or assets proposed to be Transferred. We will purchase the interest or assets at the same amount and conditions offered by the third-party or, if we wish, at the cash amount equal (in our opinion) to any non-cash items. If it is not possible to agree on a reasonable cash amount or if the Transfer is a gift, then we will name an independent appraiser (at our expense) to determine the fair market value of the interest. We may purchase the interest at the fair market value determined by the appraiser. Closing on our purchase must occur within 90 days after our notice to you choosing to purchase the interest. We may assign our right of first refusal to someone else either before or after we exercise it. However, the right of first refusal will not apply to Transfers to an Entity under Section 5 28(e) or to Transfers to your spouse, son, or daughter (including Transfers to your spouse, son, or daughter as a result of death or incapacity as described in Section 5 28(f)).

(ii) Declining Our Right If we elect not to exercise our rights under this Section 5 28(g), the transferor may complete the Transfer after complying with the applicable requirements under Section 5 28. Closing of the Transfer must occur within 90 days of our election (or such longer period as applicable law may require). If it does not, then the third-party's offer will be treated as a new offer subject to our right of first refusal. Any material change in the offer from a third party after we have elected not to purchase the seller's interest will create a new offer subject to the same right of first refusal as the third party's initial offer. The Transfer is conditional on our determination that the Transfer was on terms substantially similar to those offered to us.

(h) Transfers Void Any purported transfer, by operation of law or otherwise, made without our prior written consent will be considered null and void and will be considered a material breach of this Agreement.

5 29 Security Interest You may grant a security interest in this Agreement or the franchise represented by this Agreement only to the limited extent permitted by Section 9-408 of the Uniform Commercial Code. Any such security interest may only attach to an interest in the proceeds of the operation of the Franchised Business and may not entitle or permit the secured party to take possession of or operate the Franchised Business or to transfer your interest in the franchise without our consent.

5 30 Compliance with Laws and Regulations You must comply with all applicable federal, state, and local laws, rules, regulations, and ordinances. You must obtain and maintain in good standing any and all licenses, permits, and consents necessary for you to lawfully operate the Franchised Business. It is your sole responsibility to apprise yourself of the existence and requirements of all such laws, rules, and

regulations and to adhere to them at all times during the term of this Agreement, regardless of any information or advice that we may provide. Without limiting the generality of the foregoing, you acknowledge that we have no responsibility to ensure the Franchised Business is developed and operated in compliance with all applicable laws, rules, regulations, and ordinances and that we will have no liability in the event the development or operation of the Franchised Business violates any law, rule, regulation, or ordinance.

5.31 Notice of Proceedings You must notify us in writing within five days of the start of any action, suit or proceeding, or of the issuance of any inquiry, subpoena, order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality in connection with the operation or financial condition of your Franchised Business. This includes, but is not limited to, any criminal action or proceeding brought by you against any employee, customer, or other person, but this does exclude any civil proceedings against customers to collect monies owed.

5.32 Ownership and Guarantee

(a) Operating Principal You must assign an individual owner as your Operating Principal. The Operating Principal must complete our Initial Training program and have authority over all business decisions related to your Franchised Business. They must also have the power to bind you in all dealings with us. You may not change the Operating Principal without our prior written approval. Your Operating Principal must exert full-time best efforts in the operation of the Franchised Business, at all times supervise, directly from the Franchised Business premises, the operation of your Franchised Business, and is responsible for ensuring that each installer is provided with and has successfully completed training.

(b) Owners of Equity If you are an Entity, each of your Owners must execute the attached "Payment and Performance Guarantee" (the "Guarantee"). By executing the Guarantee, each Owner will be individually bound by the provisions stated in this Agreement. A violation of any provision in this Agreement by any Owner will constitute a violation of your obligations under this Agreement. The individuals executing this Agreement under the Guarantee represent that they are your sole owners. The term "Owner" in this Agreement includes all shareholders of a corporation, all members of a limited liability company, all general and limited partners of a limited partnership, and the grantor and the trustee of a trust. If any Owner required to sign a Guarantee is a business entity, then each of owner and parent in such Owner's chain of ownership will execute the Guarantee, it being the intent of the parties that each entity and natural person holding a beneficial interest in the franchise, either directly or indirectly through one or more business entities, be considered an "Owner" under this Agreement.

(c) Governing Documents If you are (or transfer this Agreement to) an Entity, you agree on our request to provide us with a list of holders of direct and indirect equity interests and their percentage interests. Additionally, you agree to give us copies of your governing documents and any other corporate documents, books, or records, including certificates of good standing from your state. The Owners may not enter into any shareholders' agreement, management or operating agreement, voting trust, or other arrangement that gives a third party the power to direct and control your affairs without our prior written consent. During the Term of this Agreement, your governing documents must state, and you must ensure, that your business operations are limited to the operation of one or more 101 MOBILITY franchised businesses and that no transfer of any ownership interests may be made unless they are in line with Section 5.28 of this Agreement. Any securities that you issue must have a visible printed legend that shows this.

5.33 Call Center Program If we require you to, you will participate in the 101 MOBILITY Call Center Program, as it exists from time to time. Participation in the program may include, without limitation, using and publishing a telephone number we designate, engaging a designated service provider (which may be us, our affiliate, or a third party) to answer calls, set customer appointments, and provide other related services, acquiring, installing, and using related technology, and using our designated service providers. You agree to pay all reasonable fees imposed by the service provider for these services and to enter into any related user or service agreements.

6 TERMINATION AND DEFAULT

6.1 Events of Default One or more of the following creates an "Event of Default" under this Agreement. If we grant you the opportunity to cure the Event of Default, the applicable cure period is also listed in the following:

(a) You fail, refuse, or neglect to (i) pay any money owed to us or our affiliates or you fail to make sufficient funds available to us as provided in Section 3.10 within ten days after receiving written notice of your default or 30 days after due date of the payment, whichever is the shorter period, (ii) timely pay when any money is due if you have previously been given at least two notices of nonpayment for any reason within the last 24 months, or (iii) pay any supplier in line with such supplier's terms any non-disputed amount.

(b) You make any material misrepresentations or errors in your application to us for the franchise, this Agreement, or any related documents, you submit to us any report or statement that you know or should know is false or misleading, or you input into your computer systems or submit to us any customer information or data that you know or should know is false or misleading (or fail to input or submit any customer information or data where such failure provides us with false or misleading information),

(c) You refuse to permit, or try to obstruct, an examination or audit of your books, records, or data of your Franchised Business as required by this Agreement,

(d) You fail to submit any periodic report required under this Agreement or in the Manuals three or more times in a 12-month period. It does not matter whether or not you later remedy the default,

(e) You, your Owners, and/or the Operating Principal fail to complete Initial Training to our satisfaction by the Opening Deadline,

(f) You fail to begin operating your Franchised Business by the Opening Deadline,

(g) You voluntarily suspend operation of the Franchised Business without our prior written consent for five or more consecutive business days where you were required to operate. This is unless we determine, in our sole discretion, that the failure was beyond your control,

(h) You fail to meet your Annual Performance Requirement in any given year, or you fail to meet your Quarterly Performance Requirement in any given quarter and you fail to complete both the deficient quarter's and the following quarter's requirements, provided, however, that you cannot fail to meet your Quarterly Performance Requirement more than once in any consecutive six-quarter period,

(i) You, your Operating Principal, or any of your representatives that we name fail to attend or participate in two or more required franchise conferences, meetings, or teleconferences during any 12-month period and without our prior written consent,

(j) You use any of the Marks or any other identifying characteristics of the System in any way other than in strict compliance with the terms of this Agreement,

(k) You or any Owner reveals any Confidential Information, including any contents of the Manuals or the other trade secrets, in breach of your obligations under Section 5.19,

(l) You go into bankruptcy, make an assignment for the benefit of your creditors, have an execution levied against your business assets, have a suit to foreclose any lien or mortgage set up against you and not dismissed within 30 days, or are dissolved,

(m) You, any Owner, or any of your officers or directors are or have been charged with or convicted of a felony, a crime involving moral turpitude, a consumer fraud charge, or any other crime, offense, or act that we believe is likely to have a negative effect on our franchise system, Marks, any associated goodwill, or the 101 MOBILITY concept,

(n) Any Transfer that occurs and does not comply with Section 5 28 This includes a failure to transfer to a qualified successor after death or disability within the time stated by Section 5 28(f),

(o) You or any Owner violates the noncompete covenants in Section 5 27,

(p) You fail to comply with any law, regulation, or ordinance and it results in a threat to the public's health or safety, and you fail to remedy the non-compliance within 24 hours of receiving a notice from us or from public officials, whichever occurs first,

(q) You default under any other franchise agreement or agreement between you and us, or our affiliates, as long as the default permits us or our affiliate to terminate the agreement, which will create an independent basis for termination of this Agreement,

(r) You fail to comply with our customer service standards, requirements, and policies, as communicated to you from time to time, including any failure to adhere to customer response times we implement, more than once within any six-month period Notwithstanding the foregoing, it is an Event of Default if you (i) fail to contact, or attempt to contact at least twice, any lead or potential customer we refer to you within 24-hours of our sending you the potential customer's information as described in Section 4 10, (ii) you fail to answer at least 75% of all phone calls coming to you through any tracked phone line over any rolling three-month period, or (iii) you refuse to service any customer we refer to you more than once within any six-month period,

(s) You fail to comply with any other covenant, agreement, standard, procedure, practice, or rule stated by us in this Agreement, in the Manuals, or in writing You then fail to remedy the Event of Default to our satisfaction within 20 days (or longer as applicable law may require) after we give you a written notice of the default, or

(t) You breach or fail to comply with any covenant, agreement, standard, procedure, practice or rule three or more times within any 18-month period, whether or not the breaches or failure are similar and whether or not they are cured

6 2 Our Remedies after an Event of Default

(a) Termination If an Event of Default occurs, we may without notice or demand declare this Agreement, the License, and any other rights granted under this Agreement to be immediately terminated and, except for what is stated here, this agreement will have no further force or effect Upon termination, you will not be relieved of any of your obligations, debts, or liabilities under this Agreement This includes, but is not limited to any debts, obligations, or liabilities that you accrued before the termination Our right to terminate you is in addition to all other rights and remedies available to us at law or in equity, all of which are cumulative

(b) Additional Remedies In lieu of terminating this Agreement, we may, in our sole and absolute discretion and without waiving our right to terminate (i) suspend any obligation to perform or comply with our obligations to you under this Agreement or other agreements, (ii) withhold services to you, (iii) limit your access to any or all portions of certain software or computer systems, (iv) revoke your right to participate in promotions or programs, including National Account programs, or to attend conferences or meetings, (v) discontinue manufacture or similar rebate payments, (vi) amend or remove the territorial protection granted to you under Section 1 3

6 3 Liquidated Damages In addition to any other claims we may have (other than lost future Operating Fees), if we terminate this Agreement based on your default or if you terminate this Agreement in violation of its terms, you must pay us liquidated damages ("**Liquidated Damages**") These Liquidated Damages are calculated as follows (a) your average weekly Royalty Fee, including any Minimum Royalty Fee applicable, on Gross Sales from Inside APR Sales and Outside APR Sales for the last 52 weeks of operation before termination (or for the total number of weeks the Franchised Business was in operation before termination, if less than 52 weeks), (b) plus your average weekly Marketing Fee on Gross Sales from

Inside APR Sales and Outside APR Sales for the last 52 weeks of operation before termination (or for the total number of weeks the Franchised Business was in operation before termination, if less than 52 weeks), (c) multiplied by the lesser of 156 or the number of weeks remaining in the then-current Term of this Agreement, and (d) discounted to present value using the then-current prime rate of interest quoted by our principal commercial bank

Solely for purposes of this Section 6.3, the term "Gross Sales from Outside APR Sales" expressly excludes Gross Sales from Services provided and Equipment delivered and/or installed during any of the 52-week or lesser period used for the calculation above at locations within any other APR you owned under a valid franchise agreement with us. For the Liquidated Damages formula in this Section 6.3, "Gross Sales from Outside APR Sales" will be calculated as the total Gross Sales from Outside APR Sales, divided by the total number of (a) APRs under franchise agreement(s) with us for which we are asserting a claim for liquidated damages against you, (b) plus the total number of existing APRs you were operating pursuant to a valid franchise agreement with us on the date of termination, where no APR may be counted under both categories

You acknowledge and agree that the amount of liquidated damages determined in line with the formula in this Section 6.3 is not a penalty and that it reasonably represents our monetary losses of Royalty Fees and Marketing Fees from the termination of this Agreement

6.4 Our Performance of Your Obligations We have the right, but we are not obligated, to perform any of your required obligations that you failed to perform under this Agreement. You must reimburse us on demand for all costs and expenses that we reasonably incurred in performing any obligation or duty. You must also pay interest to us on the amount of costs and expenses as stated in Section 3.11

7 YOUR OBLIGATIONS UPON EXPIRATION OR TERMINATION

You promise and agree that on expiration or termination of this Agreement for any reason, unless we direct you otherwise

7.1 Payment of Costs and Amounts Due You must pay on demand all sums owed to us and our affiliates. If this Agreement is terminated due to an Event of Default, you will promptly pay all damages, costs, and expenses, including reasonable attorneys' fees, incurred by us as a result of your default. This includes, but is not limited to, Liquidated Damages. These payment obligations will remain until they are paid in full. These payments can also lead to a lien in favor of us against your Franchised Business and all of your Vehicles, and any and all of the personal property, fixtures, Equipment, and products that you own at the time of the Event of Default. We are authorized to make any filings and to execute any documents on your behalf to perfect the lien created here. You will also pay to us all damages, costs, and expenses. This includes any reasonable attorneys' fees that we incurred after the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of this Section 7.

7.2 Discontinue Use of the System and Intellectual Property You must immediately stop operating your Franchised Business. You must immediately stop all use of the Intellectual Property (Marks, Trade Dress, and Copyrighted Materials). This also includes all other distinctive forms, slogans, signs, symbols, and devices associated with the System. You must immediately stop using the confidential methods, procedures, and techniques associated with the System.

7.3 Return of Confidential Information You must immediately return to us, at your expense, all copies of the Manuals, all Customer Data in your direct or indirect possession, and all other Confidential Information (and all copies). You must also refrain from disclosing any Confidential Information to third parties and continue to remain bound under the covenant described in Section 5.19.

7.4 Cease Identification with Us You must immediately take all action required (a) to cancel all assumed name or similar registrations relating to your use of the Marks and (b) to cancel or transfer to us all telephone numbers, post office boxes, directory listings, and any promotional, marketing, and

advertising accounts or listings, including online accounts or listings, related to the Franchised Business. You acknowledge that we have the sole rights and interests in all telephone numbers, post office boxes, and accounts and listings associated with any of the Marks. If you fail to comply with this Section 7.4, you authorize us and permanently appoint us as your attorney-in-fact to the applicable third parties, such as your telephone company, postal service, and all listing, marketing, and advertising agencies. We will then transfer the numbers, boxes, listings, and accounts to us. The telephone company, the postal service, and each listing, marketing, or advertising agency may accept such direction by us under this Agreement. This Agreement is conclusive evidence of our exclusive rights in the telephone numbers, post office boxes, and directory, marketing, and advertising listings and our authority to direct their transfer.

7.5 Our Option to Purchase Certain Goods Within seven days of termination or expiration of this Agreement, we and you will arrange for an inventory to be made at your expense, of your supplies, Equipment, Vehicles, marketing materials, signs, and fixtures related to the operation of the Franchised Business. We will have the option, within 60 days after the inventory has been made, to purchase from you any of those items at fair market value. If the parties cannot agree on fair market value within a reasonable time, we will select an independent appraiser after consultation with you, and his or her determination will be final and binding. If we exercise our option to purchase, we will have the right to set off all amounts due from you to us and our affiliates against any payments we make to you. If we do not exercise our option to purchase, you agree to dispose of your supplies, Equipment, Vehicles, marketing materials, signs, and fixtures that are proprietary or bear any of our Marks as we direct. You may not sell any supplies, Equipment, Vehicles, marketing materials, signs, and fixtures that are proprietary or bear any of our Marks without our prior written approval.

7.6 Our Option to Assume Your Site Lease You will, on request by us, assign any interest you have in any lease for the Business Office or Warehouse to us. If we assume your interest under any site lease, you will be responsible for paying rent and all other charges due under the site lease for all periods until the time of the assumption. If we pay any amount on your behalf, you must reimburse us for the amount on demand.

7.7 De-identification of the Equipment and Franchised Business With respect to any items we do not agree to purchase, as stated in Section 7.5, you must make modifications or alterations to your Vehicles, Business Office, Warehouse and Franchised Business immediately on termination or expiration of this Agreement. We consider these modifications necessary to distinguish the appearance of the Vehicles, Business Office, Warehouse and Franchised Business from a 101 MOBILITY Business. These modifications include, but are not limited to, removing the signs, Marks, and any Trade Dress to show the public that you are no longer associated with us. You must provide us with photographic evidence that you have de-identified your Vehicles, Business Office, Warehouse and Franchised Business. If you do not comply with the requirements of this Section 7.7, we may take possession of the Vehicles, Business Office and Warehouse or Franchised Business without being guilty of trespass or any other tort, for the purpose of making any required changes. You agree to reimburse us on demand for our expenses in making the changes.

7.8 Promote Separate Identity You will not directly, indirectly, or in any manner, identify yourself, or anyone else connected with you, as a "former '101 MOBILITY' franchisee." You will not identify yourself or anyone else as having been associated with the 101 MOBILITY System or, use in any manner or purpose, any of the Marks, Copyrighted Materials, or Trade Dress.

7.9 Assignment of Customers and Customer Contracts You will, immediately upon our request, assign all outstanding customer contracts to us or our designees, notify your customers, in a manner specified and approved by us, of our designated successor to the contract or customer relationship, and provide us with all related reasonable customer, contract, and account information.

7.10 Comply with Noncompete You and your Owners must comply with the covenant not to compete in Section 5.27.

7.11 Injunctive and Other Relief You acknowledge that your failure to comply with the provisions of this Section 7 will result in irreparable harm to us and that our remedy at law for damages will be inadequate. So, you agree that if you breach any provisions of this Section 7, we are entitled to injunctive relief (including the remedy of specific performance) in addition to any other remedies available at law or in equity, and you agree to pay our related attorneys' fees and costs should we apply for such injunctive relief.

7.12 Trademark Infringement If you contest termination and/or fail to comply with your post-termination obligations, and a court of competent jurisdiction upholds such termination, your operation of the Franchised Business from and after the date of termination, will constitute willful trademark infringement and unfair competition by you, and you will be liable to us for damages resulting from such infringement in addition to any fees paid or payable hereunder, including, without limitation, any profits that you derived from such post-termination operation of the Franchised Business.

8 DISPUTE RESOLUTION AND GOVERNING LAW

8.1 Arbitration

(a) Unless otherwise provided in this Agreement or not solved during the mediation process described in Section 8.2, you and we agree to submit any claim, controversy or dispute (collectively, "**Dispute**") between us or any of our affiliates (and/or their respective shareholders, officers, directors, agents, representatives and/or employees) and you (and/or your Owners, guarantors, agents, representatives and/or employees, as applicable) arising out of or related to (i) this Agreement or any other agreement between us and you, (ii) our relationship with you, (iii) the validity of this Agreement or any other agreement between us and you, or (iv) any System standard, to arbitration. The arbitration will be administered in accordance with the Commercial Rules of the American Arbitration Association ("**AAA**") The arbitration will be conducted by one arbitrator selected by agreement of the parties or (in the event the parties cannot agree) in accord with the Rules. The arbitrator will apply the Federal Rules of Evidence with respect to the admissibility of evidence. The Arbitrator must be a person experienced in franchise law who has no prior business or personal relationship with either party. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.) ("**FAA**") Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction. The arbitrator will be required to state in writing the reasoning on which the award is based.

(b) Arbitration will be conducted in the city in which we maintain our principal business offices at the time of the arbitration. Arbitration will be conducted on an individual, and not a class-wide, basis and an arbitration proceeding between the parties and their respective Owners, officers, directors, agents, guarantors, representatives, and/or employees may not be consolidated with any other arbitration proceeding between us and any other person or Entity. We reserve the right, but have no obligation, to advance your share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so shall not be deemed to have waived or relinquished our right to seek the recovery of those costs in accordance with Section 8.8. The arbitrator, in the conduct of the arbitration, will not have the authority to declare any Mark generic or otherwise invalid and, to the fullest extent permitted by law. With the exception of our right to seek indemnification as set forth in this Agreement, and our right to seek recovery of lost future profits, including liquidated damages as set forth in Section 6.3, each party waves any right to or claim for any punitive, exemplary, incidental or consequential damages against the other.

(c) Any disputes concerning the enforceability or scope of this arbitration provision shall be resolved pursuant to the FAA, and the parties agree that the FAA preempts any state law restrictions (including the site of the arbitration) on the enforcement of this arbitration provision. If, prior to an Arbitrator's final decision, either you or we commence an action in any court for a claim that arises out of or relates to this Agreement (except for the purpose of enforcing this arbitration provision or as otherwise permitted by this Agreement), the party bringing the action in court will be responsible for the other party's

expenses of enforcing this arbitration provision, including court costs, arbitration filing fees, and other costs and attorneys' fees

(d) If any party institutes any claim subject to this arbitration proceeding in any court, and the other party succeeds in a motion to compel arbitration of the claim, the party that filed the court proceeding shall reimburse the compelling party their reasonable attorneys' fees and costs in defending the action and in the motion to compel arbitration

(e) You agree not to assert any claim or cause of action against us, our officers, directors, shareholders, employees, or affiliates after two years following the event giving rise to such claim or cause of action

(f) Notwithstanding the foregoing, we have the right to apply to any court of competent jurisdiction, in lieu of arbitration, for failure to pay Royalty Fees or any other amounts due and owing under this Agreement or to enforce our right to indemnification. The parties each also have the right to apply to any court of competent jurisdiction, in lieu of arbitration, for any Disputes where injunctive or other extraordinary relief is being sought. You and your Owners irrevocably consent to the personal jurisdiction of the state and federal courts located in the county in which we maintain our principal place of business for the purpose of this Section

8.2 Mandatory Pre-Arbitration Mediation Except as stated below, before filing any proceeding to resolve a Dispute, either party has the right to demand participation in mediation. One mediator will be selected by the parties and if they cannot agree, then a mediator will be selected by the AAA. The mediation will be held near our principal offices, currently in Wilmington, North Carolina, will not last more than one day, and if the parties do not resolve their dispute, then any party may file an arbitration proceeding in line with the terms of this Agreement. The mediation will be governed by the rules of the AAA. The parties agree that mediation will be held no later than 14 days after a written request for mediation has been served on the other parties. The costs and expenses of mediation, including the compensation and expenses of the mediator (but excluding attorneys' fees incurred by either party), shall be borne by the parties equally. The parties agree that statements made during such mediation proceeding will not be admissible for any purpose in any subsequent legal proceeding.

Notwithstanding the foregoing provisions of this Section 8.2, the parties' agreement to mediate will not apply to Disputes which may, in lieu of arbitration, be submitted to any court of competent jurisdiction pursuant to the terms of Section 8.1(f).

8.3 Governing Law This Agreement has been executed, delivered in, and will be governed construed, and enforced in line with the laws of the State of North Carolina. In the event of any conflict-of-law question, the laws of North Carolina will prevail, without regard to the application of North Carolina conflict-of-law rules.

8.4 Mutual Waiver of Jury Trial **THE PARTIES 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, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING**

8.5 Waiver of Punitive Damages WITH THE EXCEPTION OF OUR RIGHT TO SEEK INDEMNIFICATION FOR THIRD PARTY CLAIMS AS SET FORTH IN THIS AGREEMENT AND OUR RIGHT TO SEEK RECOVERY OF LOST FUTURE PROFITS, INCLUDING LIQUIDATED DAMAGES AS SET FORTH IN SECTION 6.3 ABOVE, IN THE EVENT OF YOUR BREACH OF THIS AGREEMENT, THE PARTIES HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY LOSS OF REVENUES, LOSS OF PROFITS, LOSS OF TIME, INCONVENIENCE, LOSS OF USE, OR ANY OTHER INCIDENTAL, SPECIAL, INDIRECT, EXEMPLARY, PUNITIVE, OR CONSEQUENTIAL LOSS 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

8 6 Remedies Not Exclusive Except as stated in Section 6 3 and Sections 8 4 and 8 5 no right or remedy that the parties have under this Agreement is limited to, any other right or remedy under this Agreement or under applicable law Every remedy will be in addition to, and not limited to every other remedy available at law or in equity or by statute or otherwise

8 7 Our Right to Injunctive Relief Nothing in this Agreement stops our right to obtain injunctive or declaratory relief against a breach or threatened breach of this Agreement that will cause us loss or damage You agree that we will not be required to prove actual damages or post a bond in excess of \$1,000 or other security in seeking or obtaining injunctive relief (both preliminary and permanent) and/or specific performance with respect to this Agreement

8 8 Limitation of Claims Any and all claims and actions arising out of or relating to this Agreement (including, but not limited to, the offer and sale of this franchise), your and our relationship, or your operation of the Franchised Business, brought by you must be commenced within twenty-four (24) months from the occurrence of the facts giving to the rise to such claim or action, or such claim or action will forever be barred

8 9 No Waiver No right or remedy herein conferred upon or reserved to us is exclusive of any other right or remedy herein, or by law or equity provided or permitted, but each shall be cumulative of any other right or remedy provided in this Agreement

8 10 Attorneys' Fees and Costs If either party commences a legal action against the other party arising out of or in connection with this Agreement, the prevailing party will be entitled to have and recover from the other party its reasonable attorneys' fees and costs of suit or proceeding

9 MISCELLANEOUS

9 1 Entire Agreement Except for the representations included in our Franchise Disclosure Document ("**FDD**") this Agreement and the documents referred to in it represent the entire agreement between you and us with respect to the Franchised Business This Agreement overrides all prior discussions, understandings, representations, and agreements concerning the Franchised Business, provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Franchise Disclosure Document that was furnished to you by us This Agreement includes the terms and conditions on Attachments A and B which are incorporated in this Agreement by this reference

9 2 Amendments and Modifications This Agreement may only be amended or modified by a written document signed by each party

9 3 Waiver Any term or condition of this Agreement may be waived at any time by the party entitled to the benefit of the term This waiver must be in writing No amount of dealing or performance by any party, and no failure, omission, delay, or restraint by any party, in exercising any right, power, benefit, or remedy, will constitute a waiver of a right, power, benefit, or remedy Our waiver of any particular default does not affect our rights to respond to any other default you may commit Our waiver of a default by another franchisee does not affect our right to demand your strict compliance with the terms of this Agreement We have no obligation to deal with similarly situated franchisees in the same manner Our acceptance of any payments due from you does not waive any prior defaults

9 4 Importance of Timely Performance Time is of the essence in this Agreement

9 5 Headings The headings in this Agreement are for convenience only They are not a part of this Agreement and will not affect the meaning or construction of any of its provisions

9 6 Severability Each provision of this Agreement is severable from the others If any provisions of this Agreement or any of the documents executed in union with this Agreement are determined by a

court to be invalid, illegal, or unenforceable, the invalidity will not affect any other remaining provisions of this Agreement or any other document. The remaining provisions will continue to be given full force and effect and bind us and you.

9.7 Applicable State Law Controlling If the termination, renewal, or other provisions stated in this Agreement are inconsistent with any applicable state statute, the statute will apply, but only to the inconsistency.

9.8 Survival Each provision of this Agreement that clearly specifies or implies that it is to be performed after the expiration, termination, or Transfer of this Agreement will survive an expiration, termination, or Transfer. This includes, but is not limited to Sections 5.17, 5.19, 5.24, 5.25, 5.26, 5.27, 7, and 8.

9.9 Consent Whenever our prior written approval or consent is required under this Agreement, you must agree to make a timely written request to us for the consent. Our approval or consent must be in writing and signed by an authorized officer to be effective.

9.10 Independent Contractor Relationship We each agree and acknowledge that this Agreement does not create a fiduciary or other special relationship, that you will operate the Franchised Business as an independent contractor, and that neither of us will be considered an agent, legal representative, joint venturer, partner, employee, joint-employer, or servant of or with respect to the other for any purpose. We each further agree and acknowledge that neither this Agreement nor our course of conduct is intended to, nor may anything in this Agreement nor our course of conduct be, construed to state or imply that we are the employer of your employees and/or independent contractors.

You are not authorized to make any contract, agreement, warranty, or representation on our behalf, or to create any obligation, express or implied, on our behalf. During the term of this Agreement, you will identify yourself as the owner of the Franchised Business operating under a franchise granted by us, and will apply for all permits, licenses, and certificates in your own name. Additionally, your individual name (if you are an individual) or your corporate name (if you are an Entity) must appear prominently on all invoices, order forms, receipts, business stationary, and contracts. You will not use the Marks to incur or secure any obligations or indebtedness on our behalf. You will display at the Business Office, on your Vehicle, and in your advertising and promotional materials, forms, business stationary, and contracts, in a conspicuous location, a form of notice approved by us, stating that you are an independent owned and operated 101 MOBILITY Franchised Business.

Furthermore, we do not participate in the hiring, disciplining, or discharging of your employees or in setting and paying wages and benefits to your employees, and you acknowledge that we have no power, responsibility, or liability with respect to the hiring, disciplining, or discharging of employees or in setting or paying their wages. You will have sole authority and control over the day-to-day operations of the Franchised Business and its employees. At no time will you, your employees, or your independent contractors be deemed to be our or our affiliates' employees.

9.11 Notices All notices and other communications required or permitted under this Agreement will be in writing and will be delivered (a) personally, (b) by certified or registered mail, postage prepaid, (c) by overnight delivery service, or (d) by facsimile (if the sender receives machine confirmation of successful transmission). Notices to you will be sent to the address stated on Attachment A. Notices to us must be sent to

101 Mobility Franchise Systems, LLC
5221 Oleander Drive
Wilmington, North Carolina 28403
Attn: President
Fax (910) 350-8032

Either party can change its mailing address or facsimile number by giving notice to the other party. Notices will be considered to be received on the same day when they are delivered personally. They will be considered to be received on an attempted delivery when sent by registered, certified, or overnight delivery service. They will be considered to be received on the next business day when sent by facsimile.

9.12 Execution in Counterparts This Agreement may be completed in two or more counterparts. Each counterpart will be considered an original, and all of them combined will form one complete agreement.

9.13 Successors and Assigns Except as otherwise clearly stated, this Agreement is binding upon and shall inure to the benefit of the parties and their respective heirs, executors, legal representatives, successors, and permitted assigns.

9.14 No Third Party Beneficiaries Except as otherwise clearly stated in this Agreement, no third party shall have the right to claim any of the benefits conferred under this Agreement.

9.15 Additional Terms, Inconsistent Terms The parties may provide additional terms by including the terms in Attachment A. To the extent that any provisions on Attachment A are in direct conflict with the provisions of this Agreement, the provisions in Attachment A shall control.

9.16 Rules of Construction Neither this Agreement nor any uncertainty or ambiguity in this Agreement shall be construed or resolved against the drafter of this Agreement, whether under any rule of construction or otherwise. Terms used in this Agreement shall be construed and interpreted according to their ordinary meaning. If any provision of this Agreement is susceptible to two or more meanings, one of which would render the provision enforceable and the other(s) which would render the provision unenforceable, the provision shall be given the meaning that renders it enforceable.

10 YOUR REPRESENTATIONS AND ACKNOWLEDGMENTS

You and the Owners represent, warrant, and acknowledge as follows:

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

10.2 Due Authority This Agreement has been duly authorized and executed by you or on your behalf is a valid and binding obligation of you, enforceable in accordance with its terms, subject to applicable bankruptcy, moratorium, insolvency, receivership, and other similar laws affecting the rights of creditors generally.

10.3 Terrorist Acts You acknowledge that under applicable U.S. law, including, without limitation, Executive Order 13224, signed on September 23, 2001 ("Order"), we are prohibited from engaging in any transaction with any person engaged in, or with a person aiding any person engaged in, acts of terrorism, as defined in the Order. Accordingly, you represent and warrant to us that, as of the date of this Agreement, neither you nor any person holding any ownership interest in you, controlled by you, or under common control with you is designated under the Order as a person with whom business may not be transacted by us, and that you (a) do not, and hereafter will not, engage in any terrorist activity, (b) are not affiliated with and do not support any individual or Entity engaged in, contemplating, or supporting terrorist activity, and (c) are not acquiring the rights granted under this Agreement with the intent to generate funds to channel to

any individual or Entity engaged in, contemplating, or supporting terrorist activity, or to otherwise support or further any terrorist activity

10 4 Independent Investigation You have conducted an independent investigation of the business venture contemplated by this Agreement and recognize that it involves business risks and that your results will be largely dependent upon your own efforts and ability You have been accorded ample time to consult with your own attorney and other advisors about the potential risks and benefits of entering into this Agreement, and we have advised you to do so

10 5 Timely Receipt of Agreement and Franchise Disclosure Document You have received an execution ready copy of this Agreement at least seven calendar days before you executed this Agreement or any related agreements or pay any consideration to us You have also received a FDD required by applicable state and/or federal laws, including a form of this Agreement, at least 14 calendar days (or such longer time period as required by applicable state law) before you executed this Agreement or any related agreements or pay any consideration to us You have reviewed this Agreement and the FDD and have been given ample opportunity to consult with, and ask questions of, our representatives regarding the documents

10 6 Electronic Signature This Agreement, including all Attachments, may be signed with full force and effect using electronic signatures By signing via your electronic signature you consent to the legally binding terms and conditions of this Agreement and represent that you are the authorized signatory indicated in each signature block

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement on the date set forth below to be made effective as of the Effective Date

FRANCHISOR
101 MOBILITY FRANCHISE SYSTEMS, LLC
a North Carolina limited liability company

FRANCHISEE

a/an _____

By _____
Name _____
Title _____
Date _____

By _____
Name _____
Title _____
Date _____

101 MOBILITY FRANCHISE SYSTEMS, LLC

CALIFORNIA AMENDMENT TO FRANCHISE AGREEMENT

THIS AMENDMENT TO FRANCHISE AGREEMENT (this “**Amendment**”) dated _____, is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (the “**Agreement**”) dated _____, by and between 101 MOBILITY FRANCHISE SYSTEMS, LLC, a North Carolina limited liability company (“**101**”), and _____ (“**Franchisee**”) Where and to the extent that any of the provisions of this Amendment are contrary to, in conflict with or inconsistent with any provision contained in the Agreement, the provisions contained in this Amendment shall control Defined terms contained in the Agreement shall have the identical meanings in this Amendment

1 The California Department of Business Oversight requires that certain provisions contained in franchise documents be amended to be consistent with California law, including the California Franchise Investment Law, CAL CORP CODE Section 31000 et seq , and the California Franchise Relations Act, CAL BUS & PROF CODE Section 20000 et seq , (collectively, the “**Act**”) To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended

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

b California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516) Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043)

c The 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)

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

e The Agreement requires litigation, arbitration, or mediation to be conducted in a forum other than the State of California This requirement may be unenforceable under California law

f The Agreement requires application of the laws of North Carolina This provision may not be enforceable under California law

2 To the extent that Section 8.3 of the Agreement (pertaining to choice of law) conflicts with California law, California law will control

3 In the event of any conflict between the terms of this Amendment and the terms of the Agreement, the terms of this Amendment shall prevail

4 Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Act are met independently without reference to this Amendment

[The Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Amendment on the date first shown above

FRANCHISOR
101 MOBILITY FRANCHISE SYSTEMS, LLC
a North Carolina limited liability company

FRANCHISEE

a/an _____

By _____
Name _____
Title _____
Date _____

By _____
Name _____
Title _____
Date _____

101 MOBILITY FRANCHISE SYSTEMS, LLC
ILLINOIS AMENDMENT TO FRANCHISE AGREEMENT

For purposes of complying with the requirements of Illinois law, including the Illinois Franchise Disclosure Act of 1987, Ill Rev Stat ch 815 para 705/1 – 705/44 (1994) (the “**Illinois Franchise Act**”), 101 MOBILITY FRANCHISE SYSTEMS, LLC, a North Carolina limited liability company (“**101**”) and _____ (“**Franchisee**”), hereby amend the Franchise Agreement between them dated _____ (the “**Agreement**”) as follows

1 The following provision hereby supplements Section 10 5

For purposes of satisfying Section 5(2) of the Illinois Franchise Act, Franchisee further acknowledges that it has received the disclosure document required by the act at least fourteen (14) days prior to the date on which this Agreement was executed

2 Section 705/19 and 705/20 of the Illinois Franchise Act provides rights to franchisees concerning nonrenewal and termination of a franchise If the Agreement contains a provision that is inconsistent with the Illinois Franchise Act, the Illinois Franchise Act will control

3 Section 41 of the Illinois Franchise Act states that “any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void ” To the extent that any provision in the Agreement is inconsistent with Illinois law, Illinois law will control Any provision that designates jurisdiction or venue or requires Franchisee to agree to jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which is otherwise enforceable in Illinois, except arbitration may take place outside the state of Illinois

4 To the extent that Section 8 3 of the Agreement (pertaining to choice of law) conflicts with Illinois law, Illinois law will control

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

6 All other provisions of the Agreement are hereby ratified and confirmed

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized representative as of the date indicated below

FRANCHISOR
101 MOBILITY FRANCHISE SYSTEMS, LLC
a North Carolina limited liability company

FRANCHISEE

a/an _____

By _____
Name _____
Title _____
Date _____

By _____
Name _____
Title _____
Date _____

101 MOBILITY FRANCHISE SYSTEMS, LLC

MINNESOTA AMENDMENT TO FRANCHISE AGREEMENT

THIS AMENDMENT TO FRANCHISE AGREEMENT (this 'Amendment') dated _____, is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (the "Agreement") dated _____, by and between 101 MOBILITY FRANCHISE SYSTEMS, LLC a North Carolina limited liability company ("Franchisor"), and _____ ("Franchisee") Where and to the extent that any of the provisions of this Amendment are contrary to, in conflict with or inconsistent with any provision contained in the Agreement, the provisions contained in this Amendment shall control Defined terms contained in the Agreement shall have the identical meanings in this Amendment

1 Notwithstanding anything to the contrary set forth in the Agreement, 101 will comply with Minn Stat Section 80C 12, Subd 1(g), (the "Act"), which requires us to protect your right to use the trademarks, service marks and trade names and indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of same

2 Notwithstanding anything to the contrary set forth in the Agreement, we will comply with Minn Stat Sec 80C 14, Subds 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given ninety (90) days' notice of termination (with sixty (60) days to cure) and one hundred eighty (180) days' notice for non-renewal of the Agreement

3 Notwithstanding anything to the contrary set forth in the Agreement, any general release you are required to assent to shall not apply to any liability we may have under the Act

4 Minn Stat Section 80C 21 and Minn Rule 2860 4400J prohibit the franchisor from requiring litigation to be conducted outside of 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 Agreement can abrogate or reduce any of franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction

5 In the event of any conflict between the terms of this Amendment and the terms of the Agreement, the terms of this Amendment shall prevail

6 Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Act are met independently without reference to this Amendment

IN WITNESS WHEREOF, the parties have executed this Amendment on the date first shown above

FRANCHISOR
101 MOBILITY FRANCHISE SYSTEMS, LLC
a North Carolina limited liability company

FRANCHISEE

a/an _____

By _____
Name _____
Title _____
Date _____

By _____
Name _____
Title _____
Date _____

101 MOBILITY FRANCHISE SYSTEMS, LLC

NEW YORK AMENDMENT TO FRANCHISE AGREEMENT

THIS AMENDMENT TO FRANCHISE AGREEMENT (this “**Amendment**”) dated _____, is intended to be a part of, and by this reference is incorporated into that certain Agreement (the “**Agreement**”) dated _____, by and between 101 MOBILITY FRANCHISE SYSTEMS, LLC a North Carolina limited liability company (“**101**”), as Franchisor, and _____ (“**Franchisee**”) Where and to the extent that any of the provisions of this Amendment are contrary to, in conflict with or inconsistent with any provision contained in the Agreement, the provisions contained in this Amendment shall control. Defined terms contained in the Agreement shall have the identical meanings in this Amendment.

1 **Releases** The following language is added to the end of Section 2.2 (d) and Section 5.28(c)(iii) of the Agreement:

“, provided, however, that all rights Franchisee enjoys and any causes of action arising in Franchisee’s 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 the proviso that the non-waiver provisions of GBL 687 and 687.5 be satisfied.”

2 **Termination by Franchisee** The following language is added to Section 6:

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

3 **Assignment** The following language is added to the end of Section 14.3 of the Agreement:

“However, to the extent required by applicable law, no assignment will be made except to an assignee who, in Franchisor’s good faith judgment, is willing and able to assume Franchisor’s obligations under this Agreement.”

4 **Modification of the System** The following language is added to the end of Sections 5.15 of the Agreement:

“Modifications to the Operations Manual will not unreasonably affect your obligations, including economic requirements, under this Agreement.”

5 **Applicable Law** The following language is added to the end of Sections 8.1 and 8.3 of the Agreement:

“However, the governing choice of law shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the General Business Law of the State of New York.”

6 In the event of any conflict between the terms of this Amendment and the terms of the Agreement, the terms of this Amendment shall prevail.

7 Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Act are met independently without reference to this Amendment.

[The Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Amendment on the date first shown above

FRANCHISOR

101 MOBILITY FRANCHISE SYSTEMS, LLC

a North Carolina limited liability company

FRANCHISEE

a/an _____

By _____
Name _____
Title _____
Date _____

By _____
Name _____
Title _____
Date _____

101 MOBILITY FRANCHISE SYSTEMS, LLC

VIRGINIA AMENDMENT TO FRANCHISE AGREEMENT

THIS AMENDMENT TO FRANCHISE AGREEMENT (this “**Amendment**”) dated _____, is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (the “**Agreement**”) dated _____, by and between 101 MOBILITY FRANCHISE SYSTEMS, LLC, a North Carolina limited liability company (“**101**”), and _____ (“**Franchisee**”) Where and to the extent that any of the provisions of this Amendment are contrary to, in conflict with or inconsistent with any provision contained in the Agreement, the provisions contained in this Amendment shall control. Defined terms contained in the Agreement shall have the identical meanings in this Amendment.

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

2 In the event of any conflict between the terms of this Amendment and the terms of the Agreement, the terms of this Amendment shall prevail.

3 Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Act are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties have executed this Amendment on the date first shown above.

FRANCHISOR

101 MOBILITY FRANCHISE SYSTEMS, LLC

a North Carolina limited liability company

FRANCHISEE

a/an _____

By _____
Name _____
Title _____
Date _____

By _____
Name _____
Title _____
Date _____

101 MOBILITY FRANCHISE SYSTEMS, LLC
PAYMENT AND PERFORMANCE GUARANTEE

In order to induce 101 Mobility Franchise Systems, LLC ("**Franchisor**") to enter into a 101 MOBILITY® Franchise Agreement (the "**Franchise Agreement**") with the Franchisee named in the Franchise Agreement to which this Payment and Performance Guarantee (the "**Guarantee**") is attached ("**Franchisee**"), I/we (collectively referred to as the "**Guarantors**" and individually referred to as a "**Guarantor**") hereby covenant and agree as follows

1 **Guarantee of Payment and Performance** Guarantors jointly and severally and unconditionally guarantee to Franchisor and its affiliates the payment and performance when due, whether by acceleration or otherwise, of all obligations, indebtedness, and liabilities of Franchisee to Franchisor, absolute or contingent, of every kind and nature, whether now existing or incurred later, whether incurred pursuant to the Franchise Agreement or otherwise, together with any extension, renewal, or modification thereof in whole or in part, including liquidated damages due on account of the premature termination of the Franchise Agreement or early closure of the Franchised Business (the "**Guaranteed Liabilities**") The Guarantors agree that if any of the Guaranteed Liabilities are not paid or performed by Franchisee when due, the Guarantors will immediately do so The Guarantors further agree to pay all expenses (including reasonable attorneys' fees) paid or incurred in trying to enforce this Guarantee or the payment of any Guaranteed Liabilities

2 **Waivers by Guarantors** The Guarantors waive presentment, demand, notice of dishonor, protest, and all other notices, including without limitation notices of acceptance hereof, of the existence or creation of any Guaranteed Liabilities, of the amounts and terms thereof, of all defaults, disputes, or controversies between Franchisor and Franchisee and of the settlement, compromise, or adjustment thereof This Guarantee is primary and not secondary, and shall be enforceable without Franchisor having to proceed first against Franchisee or against any or all of the Guarantors or against any other security for the Guaranteed Liabilities This Guarantee will be effective regardless of the insolvency of Franchisee by operation of law, any reorganization, merger, or consolidation of Franchisee, or any change in the ownership of Franchisee

3 **Term No Waiver** This Guarantee is irrevocable and unconditional and will remain in full force and effect as to each of the Guarantors until (i) such time as all Guaranteed Liabilities of Franchisee to Franchisor and its affiliates have been paid and satisfied in full, and (ii) the Franchise Agreement and all obligations of Franchisee thereunder expire, provided, however, that this Guarantee will remain in full force as to all obligations under the Franchise Agreement which by their nature continue regardless of expiration No delay or failure on the part of Franchisor in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by Franchisor of any right or remedy shall preclude other further exercise of that right or any other right or remedy

4 **Other Covenants** Each of the Guarantors agrees to personally comply with the provisions of Sections 5 17 (Intellectual Property), 5 18 (Improvements), 5 19 (Confidential Information), 5 24 (Auditing), 5 25 (Inspection), 5 26 (Indemnification), 5 27 (Your Covenants Not to Compete), and 5 28 (Transfer and Assignment) of the Franchise Agreement as though each Guarantor were the "**Franchisee**" named in the Franchise Agreement and agrees that Guarantors will himself/herself/themselves take any and all actions as may be necessary or appropriate to cause Franchisee to comply with the Franchise Agreement and will not take any action that would cause Franchisee to be in breach of the Franchise Agreement

5 **Dispute Resolution** Section 8 (Dispute Resolution and Governing Law) of the Franchise Agreement is incorporated here by reference and will be applicable to all disputes between Franchisor and any of the Guarantors, as though Guarantor were the "**Franchisee**" referred to in the Franchise Agreement

6 **Independent Covenants** Guarantors agree that each covenant to which they are individually bound under this Guarantee will be construed as independent of any other covenant or

provision of the Franchise Agreement and this Guarantee. If all or any portion of a covenant is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Guarantors expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Guarantee.

7 California Waiver Guarantors hereby waive (a) all rights described in California Civil Code Section 2856(a)(1)-(2), inclusive, which includes, without limitation, any rights and defenses which are or may become available to the undersigned by reason of California Civil Code Sections 2787 to 2855, inclusive, and (b) California Civil Code Sections 2899 and 3433.

8 **JURY TRIAL WAIVER. GUARANTORS HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, INVOLVING FRANCHISOR, WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THE FRANCHISE AGREEMENT, THE PERFORMANCE OF ANY PARTY UNDER THE FRANCHISE AGREEMENT, AND/OR THE OFFER OR GRANT OF THE FRANCHISE.**

9 Exhaustion of Remedies I understand that Franchisor's rights under this Guaranty shall be in addition to, and not in lieu of, any other rights or remedies available to Franchisor under applicable law.

10 Miscellaneous This Agreement will be binding upon the Guarantors and their heirs, executors, successors, and assigns, and will be for the benefit of Franchisor and its successors and assigns.

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

GUARANTOR(S)

Dated _____

Name _____

Address _____

Fax _____

Dated _____

Name _____

Address _____

Fax _____

FRANCHISEE-SPECIFIC INFORMATION

2 Franchisee's Name _____

4 Operating Principal _____

5 Ownership of Franchisee If the Franchisee is an Entity, the following persons constitute all of the
owners of a legal and/or beneficial interest in the Franchisee

NUMBER OF SHARES OR
PERCENTAGE INTEREST[illegible]

7 Annual Performance Requirement (Section 1.6(a)) You must achieve \$300,000 in annual Gross Sales from Inside APR Sales during your third, fourth, and fifth full years of operation each Thereafter, you must achieve \$500,000 in annual Gross Sales from Inside APR Sales during your sixth full year of operation and each subsequent year through the Term of this Agreement

8 Quarterly Performance Requirement (Section 1 6(b)) You must make and document as required at least 30 sales calls within your APR, or, in the alternative, at least 30% of Gross Sales from Inside APR Sales must have originated from sources other than those referred to you, directly or indirectly, from us—including VA hospital-related sales or Internet or phone leads we forward to you. The standards for “sales calls” will be set forth in our Manuals. We may adjust the Quarterly Performance Requirement thresholds on written notice to you.

9 Franchise Fee (Section 3.1) ☐ \$10,000 + (APR population of _____ X \$0.05) =
\$

☐ \$5,000 + (APR population of _____ X \$0.05) =
\$ _____ [Veteran's discount]

☐ APR Population of _____ X \$0.05 = \$_____ [For contiguous APRs purchased at the time of your first APR]

101 Mobility Franchise Systems, LLC
Franchise Agreement | 2019

Franchisee Initials

Attachment A

10 Royalty Fee (Section 3 2(a))

Percentage	Annual Gross Sales (Based on Calendar Year)
7%	up to 1 million
6%	exceeding 1 million and up to 2 million
5%	in excess of 2 million

11 Minimum Royalty Payment (Section 3 2(b))

Third full and fourth operating quarters \$2,100 per quarter
 Fifth through eighth full operating quarters \$3,600 per quarter
 Ninth and all subsequent operating quarters in Term \$5,400 per quarter

12 Initial Marketing Fee (Section 3 3) \$5,000

13 Technology Package Fee (Section 3 5) \$3,000

14 Renewal Fee (Section 3 6) \$7,500 00

15 Transfer Fee 50% of our then-current initial franchise fee, plus reimbursement of our costs in facilitating the transfer (including reasonable attorneys' fees) (Transfer of Agreement, Franchised Business, and/or Controlling Interest, refer to Section 5 28(c))

30% of our then-current initial franchise fee, plus reimbursement of our costs in facilitating the transfer (including reasonable attorneys' fees) (Transfer of Agreement, Franchised Business, and/or Controlling Interest where transferee is, or is wholly owned by, employees or family members who have been actively involved in the Franchised Business for at least two years, refer to Section 5 28(c))

\$5,000 (Non-Controlling Interest, refer to Section 5 28(d))

\$1,000 (To Entity for Convenience of Ownership, refer to Section 5 28(e))

16 Franchisee's Address and Fax Number for Notices (Section 9 11)

Fax No _____

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

FRANCHISOR
101 MOBILITY FRANCHISE SYSTEMS, LLC
 a North Carolina limited liability company

FRANCHISEE

a/an _____

By _____
 Name _____
 Title _____
 Date _____

By _____
 Name _____
 Title _____
 Date _____

**ATTACHMENT B
TO 101 MOBILITY® FRANCHISE AGREEMENT
SOFTWARE LICENSE AGREEMENT**

This SOFTWARE LICENSE AGREEMENT ("**Agreement**") is entered into on this ____ day of _____, 20__ ("**Effective Date**") by and between 101 Mobility Franchise Systems, LLC, a North Carolina limited liability company with an address at 5221 Oleander Drive, Wilmington, North Carolina 28403 ("**Franchisor**"), and _____ a(n) _____ with an address at _____ ("**Franchisee**") and its Guarantors _____, individually, and _____, individually

BACKGROUND

A Simultaneously with the execution of this Agreement, Franchisor and Franchisee are entering into a franchise agreement ("**Franchise Agreement**") pursuant to which Franchisor is granting Franchisee the right to operate a 101 MOBILITY® franchised business ("**Franchised Business**") under Franchisor's Marks and System

B One of Franchisee's obligations under the Franchise Agreement is to implement such Computer Systems, including all software and hardware, Franchisor requires

C Franchisor's affiliate has developed the MOBILINK business management software, for which Franchisor has the contractual right to sublicense, to be utilized by Franchisee in connection with the Franchised Business ("**MOBILINK Software**") The MOBILINK software provides assistance with the management of client leads and data, sales records and documentation, inventory control, marketing efforts, administrative matters, and customer service for Franchisee and Franchisee's employees

D Franchisor may also, from time to time, whether itself or through its designees develop customized software for Franchisee's use in connection with the Franchised Business ("**Customized Software**") Franchisee may, at the discretion of Franchisor, be required to purchase and use the Customized Software Whether Franchisee is required to, or otherwise elects to, use the Customized Software, Franchisee agrees to abide by the terms of this Agreement with regards to any Customized Software The MOBILINK Software and Customized Software will be referred to collectively in this Agreement as the "**Proprietary Software**"

E Guarantors agree to personally, and jointly and severally, guaranty Franchisee's obligations and covenants under this Agreement and to be bound by each provision as though each were the Franchisee

F Now, the parties desire to define the terms and conditions on which Franchisor will grant use of the MOBILINK Software and Customized Software to Franchisee in accordance with the provisions of this Agreement

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows

1 MOBILINK SOFTWARE

A GRANT OF USE

- (a) **License Grant** Franchisor grants to Franchisee a personal, limited, non-assignable, non-transferrable, non-exclusive license to use the MOBILINK Software during the term of the Franchise Agreement, subject to the terms and conditions set forth in this Agreement

- (b) **No Customization** Franchisor prohibits Franchisee from customizing or authorizing customizations of the MOBILINK Software
- (c) **Scope of Use** Franchisee may use the MOBILINK Software solely for Franchisee's internal needs in the operation of Franchised Business as a franchisee of Franchisor and will not make the MOBILINK Software available to or permit the use thereof by any person or entity except to the extent and in the manner permitted under Subsections 1 A (d) and (e) below
- (d) **Limited Right to Copy** Franchisee may not grant access, copy or allow copies of the MOBILINK Software or any other proprietary information to be made, except to the extent necessary to exercise the use granted hereby and for back-up and archival purposes
- (e) **No Reverse Engineering or Modifications** Franchisee agrees not to reverse engineer, decompile or disassemble the MOBILINK Software or any part of the MOBILINK Software, nor will Franchisee change, modify or create derivative works from the MOBILINK Software
- (f) **Ownership** Franchisee acknowledges that Franchisee has no ownership rights in the MOBILINK Software
- (g) **Other Rights** Franchisee has no other rights in the MOBILINK Software except those rights expressly granted by this Agreement
- (h) **Third Party Access** Franchisee must not make the MOBILINK Software available to any third-party unless required by Franchisor at its sole discretion
- (i) **Updating to Current Version** Franchisee must only use current versions of the MOBILINK Software, provided, however, Franchisee may use prior versions if prior versions are necessary to support the current version Current version may include an upgrade to a version requiring an additional fee after the effective date of this Agreement

B FEES

- (a) **Initial MOBILINK Software License Fee** Franchisee must pay to Franchisor \$3,500 as a one-time Initial Software License Fee, due on the execution of this Agreement (unless paid to Franchisor under a previously-executed MOBILINK license agreement), for the use of the MOBILINK Software
- (b) **Monthly MOBILINK Software License Fee** Beginning in the first month Franchisee begins to operate the Franchised Business, Franchisee must pay to Franchisor a continuing Monthly Software License Fee via automatic bank draft for the right to use the MOBILINK Software Currently, the continuing Monthly Software License Fee is \$99 per month, which Franchisor reserves the right to increase by up to 10% in any calendar year

C TERMINATION

- (a) **Term** Except as otherwise expressly set forth below, the parties intend that the term of the license granted hereby will be coextensive with the term of the Franchise Agreement and all renewals and extensions thereof
- (b) **Automatic Termination** The license granted hereby will terminate automatically upon the expiration, nonrenewal, or termination of the Franchise Agreement

- (c) **Termination by Franchisor** Franchisor or its designee may terminate the license to use the MOBILINK Software, as granted herein, upon notice to Franchisee with immediate effect in the event that (i) Franchisee breaches any of its obligations under this Agreement or under the Franchise Agreement, (ii) the Franchise Agreement is terminated, expires, or is not renewed, or (iii) Franchisor requires Franchisee to cease using the MOBILINK Software, or any or all portions of it, as specified by Franchisor. Unless notified to discontinue use, Franchisee agrees to continue to use the MOBILINK Software and any updated versions of it as long as Franchisor requires it.
- (d) **Disabling of the MOBILINK Software** Franchisee understands that Franchisor may include a feature in the MOBILINK Software that will cause the MOBILINK Software to automatically cease to operate in whole or in part in the event Franchisee materially breaches this Agreement, the Franchise Agreement, or fails in a timely manner to (i) submit to Franchisor the reports required by Franchisor, (ii) pay to Franchisor the required fees under this Agreement, or (iii) pay to Franchisor the Royalty Fee or any other amounts due to Franchisor under the Franchise Agreement. **Franchisor will not be liable to Franchisee for any damages whatsoever that may result directly or indirectly from Franchisor's disabling of the functionality of the MOBILINK Software pursuant to this Section.**
- (e) **Disposition of Copies** Upon termination of the license to use the MOBILINK Software granted herein, Franchisee agrees to promptly return to Franchisor, or otherwise dispose of as Franchisor may instruct, all physical copies of the MOBILINK Software and its associated documentation in Franchisee's possession or under Franchisee's control and will remove all copies thereof from Franchisee's computers and other electronic storage media. On Franchisor's request, Franchisee will provide Franchisor with written certification of its compliance with the foregoing.
- (f) **No Refunds** Upon the expiration or termination of the license granted hereby, or if the MOBILINK Software is disabled as described above, Franchisee will not receive any refund of any payments made to Franchisor.
- (g) **Ownership of Data** Franchisee acknowledges and agrees that all data and information input and stored in the MOBILINK Software is the sole and exclusive property of Franchisor and that such information is licensed to Franchisee for its use solely for the direct and customary operation of the Franchised Business and only during the term of this Agreement.

2 THIRD PARTY AND CUSTOMIZED SOFTWARE

A Purchase of Third Party and Customized Software License Franchisee agrees to pay to Franchisor, or its designee if indicated by Franchisor, any initial license fee for the purchase of one or more licenses to any software that is proprietary to a third party, but required by Franchisor for Franchisee to operate the Franchised Business.

B Recurring Fees If under the terms of use for any Customized Software Franchisee is required to pay to any third party a recurring fee, whether as a recurring license fee, training and support fee, or otherwise, Franchisor may, in its discretion, after notifying Franchisee in writing, elect to act as intermediary for payment purposes only, without any liability to Franchisor whatsoever, and to pay such recurring fee from Franchisee's payment of the initial and monthly Proprietary Software Fee, as defined in the Franchise Agreement and in Sections 4 A and 4 B below.

C License and User Agreements Franchisee further agrees to enter into all license and user agreements, and any other agreements Franchisor and/or its designee requires, in connection with the purchase of one or more licenses for, and/or the use of any, third party software or Customized Software.

Franchisee may be required to enter into such license or user agreements with Franchisor and/or Franchisor's designee(s)

3 TRAINING AND SUPPORT, ACCOUNTANTS & OTHER PROFESSIONAL CONSULTANTS

A **Cooperation of Franchisee** Franchisee agrees to cooperate with Franchisor in all matters relating to the installation and support of the Proprietary Software and shall complete such training of Franchisee's personnel with respect to the Proprietary Software as may be required by Franchisor

B **Training and Support** Franchisor or Franchisor's designee will provide a limited amount of training and support to Franchisee which may be by telephone, webinar or any other means during Franchisor's normal business hours, via a written manual, the Internet or in any other manner chosen by Franchisor. The type and amount of such training and support shall be determined by Franchisor in its sole discretion

C **Maintenance, Upgrades and Fixes** Franchisor or its designee may, in its discretion, modify, upgrade or create fixes, service releases and new versions of the Proprietary Software from time to time and provide them to Franchisee

D **Remote Access** Franchisee permits Franchisor or its designee unrestricted remote access to Franchisee's network and each device containing any of the Proprietary Software. Such access may be to allow for the full functioning of the Proprietary Software, to allow Franchisor to install the Proprietary Software and modifications, fixes, service releases and new versions of the Proprietary Software, to provide training and support, and any other reason Franchisor may designate or deem necessary. Franchisee acknowledges and agrees that (i) Franchisee will install on its network reasonable security protection, (ii) remote access may reduce or disable the effectiveness of security protection, and (iii) neither Franchisor nor any party acting on behalf of Franchisor shall be liable for any claims, demands, damages, costs or expenses that arise or are in any way connected with the remote access to Franchisee's network described herein. Franchisee further understands and acknowledges that such remote access allows Franchisor to have full access to the data generated by Franchisee and to retrieve and use any such data without any limitation

4 FEES

A **Initial Software Fees** Franchisee agrees to pay any future initial license fee, or the equivalent thereof, if applicable, for any Customized Software developed by Franchisor or its designee

B **Recurring Software Fees** Franchisee may be required to pay to Franchisor a recurring software fee in connection with the future license of any Customized Software via automatic bank draft, or such other method Franchisor designates. The amount of such fees will be the then-current amount charged for the Customized Software by Franchisor to franchisees of Franchisor

C **Agreements With Other Professional Consultants** Franchisee agrees to engage the services of other professional consultants from time to time as required or suggested by Franchisor to assist with the training, implementation, or deployment of hardware, software or other technology

D **Late Payments** Any payment to be made by Franchisee under this Agreement that is not made within ten days after such payment is due will bear interest at the rate of 18% per annum, or the highest rate allowed by law, whichever is less

5 CONFIDENTIALITY AND LIMITED ACCESS

A **Nondisclosure** Franchisee agrees to maintain the Proprietary Software, including its documentation and the data generated by the use of the Proprietary Software in confidence by using at least the same physical and other security measures that Franchisee uses for its own confidential information. Franchisee further agrees not to allow anyone to access or use the Proprietary Software or to see its documentation or the data it generates other than Franchisee's employees, agents, and representatives who

have a need to have access to or to use the Proprietary Software in order to support Franchisee's authorized use thereof, provided that each such employee, agent, and representative shall have signed an undertaking to Franchisee, in a form satisfactory to Franchisor, acknowledging that he or she is bound by an obligation of confidentiality

B **Notice of Loss** Franchisee shall immediately notify Franchisor upon discovering any loss or theft of any copy of the Proprietary Software or its documentation or any data generated by its use, or any unauthorized disclosure thereof by any of Franchisee's employees, agents or representatives

6 REPRESENTATIONS, WARRANTIES, LIMITATION OF LIABILITY, INDEMNIFICATION

A **Disclaimer of Warranty** EXCEPT AS SPECIFICALLY PROVIDED HEREIN, NEITHER FRANCHISOR NOR ANY AFFILIATE OF FRANCHISOR MAKES ANY EXPRESS OR IMPLIED WARRANTY WHATSOEVER FRANCHISOR AND ALL AFFILIATES OF FRANCHISOR EXPRESSLY DISCLAIM THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE FRANCHISOR SPECIFICALLY MAKES NO WARRANTIES AND DISCLAIMS ANY EXPRESS OR IMPLIED WARRANTY RELATING TO ANY SOFTWARE, COMPUTER PROGRAM, DATA, INTRANET, WEBSITE OR OTHER RELATED ITEMS PROVIDED OR RECOMMENDED BY FRANCHISOR FRANCHISOR DISCLAIMS ANY EXPRESS OR IMPLIED WARRANTY THAT FRANCHISOR WILL CORRECT ANY OR ALL SOFTWARE DEFECTS

B **Specific Warranty Disclaimers** WITHOUT LIMITING ANY DISCLAIMER OF WARRANTY IN SECTION 6 A, FRANCHISOR SPECIFICALLY DISCLAIMS ANY WARRANTY THAT FRANCHISOR'S SOFTWARE OR DOCUMENTATION

- (a) will meet Franchisees' requirements,
- (b) will adhere to any quality standards,
- (c) will be uninterrupted, timely, secure, bug-free or error-free,
- (d) will be free from harmful code,
- (e) will produce effective, accurate or reliable results,
- (f) will meet Franchisees' expectations, or
- (g) will be free from technical or other mistakes, inaccuracies or typographical errors

C **Limitation of Liability** THE LIABILITY OF FRANCHISOR TO FRANCHISEE WILL BE LIMITED TO DIRECT DAMAGES IN NO EVENT WILL FRANCHISOR BE LIABLE FOR INCIDENTAL, SPECIAL, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF FRANCHISOR HAS PREVIOUSLY BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES IN ADDITION, FRANCHISOR SHALL HAVE NO LIABILITY FOR ANY ERRORS OR OMISSIONS IN ANY WAY RELATED TO WORK PERFORMED BY CONSULTANTS OR OTHER PROFESSIONALS USING SCHEDULING OR ANY CUSTOMIZED SOFTWARE, REGARDLESS OF ANY PERMISSION, APPROVAL OR ACCEPTANCE OF ACCOUNTANTS OR OTHERS BY FRANCHISOR. FRANCHISOR SHALL ALSO HAVE NO LIABILITY FOR THE INADVERTENT INTERRUPTION, DISABLING, OR UPDATE OF THE PROPRIETARY SOFTWARE

D **MOBILINK Software and Franchisee's Right to Indemnification** If a third party claims that the MOBILINK Software infringes any U S patent, copyright, or trade secret, Franchisor may elect, in its sole discretion, to defend Franchisee against such claim at Franchisor's expense and pay all damages that a court finally awards, provided that Franchisee promptly notifies Franchisor in writing of the claim, and allows Franchisor to control, and Franchisee cooperates with Franchisor in, the defense or any related settlement negotiations If such a claim is made or appears possible, Franchisor may, at its option, secure for Franchisee the right to continue to use the MOBILINK Software, or modify or replace the MOBILINK

Software so that it is non-infringing. If neither of the foregoing options is available in Franchisor's judgment, Franchisor may terminate the license granted by this Agreement and require Franchisee to return the MOBILINK Software without compensation. Franchisor has no obligation with respect to any claim based on a version of the MOBILINK Software that is modified without Franchisor's authorization or is combined, operated or used with any product, data, or apparatus not specified or approved by Franchisor. **THIS SECTION 6 D STATES THE ENTIRE OBLIGATION OF FRANCHISOR AND FRANCHISOR'S AFFILIATES TO FRANCHISEE WITH RESPECT TO ANY CLAIM OF INFRINGEMENT**

E Franchisor's Right to Indemnification Franchisee must indemnify, hold harmless, and defend Franchisor, its affiliates, and their agents and employees, in accordance with this Section, against any loss arising from or in connection with, or resulting from, and will be limited to any claim that materials or content (including, any information, software, and data) furnished by Franchisee infringe or misappropriate any third party copyright or trademark rights

F Tax and Accounting Disclaimer Franchisee agrees, acknowledges and understands that use of the MOBILINK Software is for the purposes of assisting Franchisee with maintenance of certain books, records and reports useful to Franchisee and which may be required pursuant to the Franchise Agreement between Franchisee and Franchisor. The MOBILINK Software is not intended, and Franchisor specifically disclaims any representation or warranty regarding use of the MOBILINK Software, to produce records or reports that comply with generally accepted accounting principles ("GAAP") or Internal Revenue Service ("IRS") policies and guidelines. It is Franchisee's sole responsibility to comply with any applicable requirements of law or otherwise relating to GAAP or IRS policies and requirements

7 MISCELLANEOUS

A Remedies Franchisee acknowledges that any breach of the covenants set forth in Subsections 1 A (b), (c), (d), (e) or (f) or Section 5 of this Agreement would cause irreparable damage to Franchisor that would be incapable of precise measurement and for which no adequate remedy would exist at law. Franchisee therefore agrees that injunctive relief shall be available for any such breach in addition to all other remedies that may be available

B Notices All notices, requests, consents and other communications required or permitted by this Agreement shall be in writing and shall be delivered by hand, fax, overnight delivery service, or registered or certified first class mail, to then-current address of the recipient known by the sender, to the attention of the person then holding the title of the person signing this Agreement on behalf of the recipient. Any such notice, request, consent or other communication shall be deemed given and be effective upon receipt at such address

C Entire Agreement, Amendments This Agreement constitutes the entire understanding between the parties relating to the subject matter hereof, superseding all prior agreements, arrangements and understandings between the parties relating to its subject matter. This Agreement may not be amended or changed in any way unless such changes are in writing signed by the parties hereto

D Waiver No delay, omission or failure to exercise any right or remedy provided for herein will be deemed to be a waiver thereof or acquiescence in the event giving rise to such right or remedy. No waiver will be binding unless contained in a writing signed by the party waiving its rights. Any waiver is limited to the specific situation in which it is given and no waiver of any breach or default under this Agreement will be construed as a waiver of any earlier or succeeding breach or default

E Governing Law This Agreement will be governed by and construed in accordance with the laws of the State of North Carolina applicable to agreements made and to be performed entirely within the State of North Carolina, without regard to North Carolina's conflicts of law principles

F **Mediation and Arbitration** Sections 8.1 (Arbitration) and 8.2 (Mediation) of the Franchise Agreement are hereby incorporated into this Agreement and made a part by reference, and the parties agree that any controversy or dispute arising out of or related to this Agreement will be governed exclusively by these dispute resolution Sections

G **Assignment** Franchisee may not assign or transfer this Agreement or any rights hereunder without Franchisor's prior written consent. Franchisor may assign or transfer this Agreement and all of Franchisor's rights, duties, and obligations hereunder to any person, group, or entity that Franchisor chooses. Upon an assignment, Franchisor will be released from all of duties and obligations and Franchisee will look to the assignee for the performance of these duties and obligations.

H **Costs, Expenses and Attorneys' Fees** If an action is commenced between the parties to enforce any provision of this Agreement, the prevailing party will be entitled to reasonable costs and expenses, including attorneys' fees.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date written above.

FRANCHISOR
101 MOBILITY FRANCHISE SYSTEMS, LLC
a North Carolina limited liability company

FRANCHISEE

a/an _____

By _____
Name _____
Title _____

By _____
Name _____
Title _____

GUARANTORS

_____, Individually
Date _____

_____, Individually
Date _____

**ATTACHMENT C
TO 101 MOBILITY® FRANCHISE AGREEMENT
CONVERSION ADDENDUM**

This Conversion Addendum (“**Addendum**”) is entered into and made effective as of _____, 20__ (the “**Effective Date**”) by and between 101 Mobility Franchise Systems, LLC, a North Carolina limited liability company (“**Franchisor**”), and _____, a(n) _____ (“**Franchisee**”)

BACKGROUND

A Franchisor franchises the operation of retail businesses which sell, rent, install, and service mobility and accessibility-related equipment and accessories such as stair lifts, auto lifts, vertical lifts, patient lifts, elevators, and ramps under the 101 MOBILITY® trademarks (“**Franchised Businesses**”)

B You own and operate a similar retail business located at _____ (the “**Existing Business**”), and desire to convert the Existing Business to a 101 MOBILITY® Franchised Business (the “**Conversion**”) To this end, you and Franchisor are, simultaneously with the execution of this Addendum, entering into a Franchise Agreement with the same Effective Date (the “**Franchise Agreement**”)

C The parties now desire to amend the Franchise Agreement, in accordance with the terms and conditions of this Addendum, to recognize your ownership and prior operation of the Existing Business, and to provide for conversion of the Existing Business to a 101 MOBILITY® Franchised Business

AGREEMENT

In consideration of the mutual premises contained in this Addendum and in the Franchise Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows

1 **Definitions** Capitalized terms will have the meanings ascribed to them in the Franchise Agreement unless otherwise defined in this Addendum

2 **Initial Marketing Fee** Section 3 3 of the Franchise Agreement is deleted in its entirety

3 **Rebranding Reimbursement** We agree to reimburse you up to \$4,000 for any of the following expenditures you incur in the rebranding of the Existing Business to a 101 MOBILITY Franchised Business (“**Rebranding Reimbursement**”) 1) the purchase and installation of approved vehicle wraps, 2) the purchase of approved interior and exterior Business Office signage, and 3) the purchase of business cards and other approved office supplies bearing the Marks You must submit to us the receipts for which you would like to be reimbursed on or before your Franchised Business’s opening date (“**Opening Date**”) We will credit the Rebranding Reimbursement to your Franchised Business’s bank account within ten days after your Opening Date

4 **Initial Training Reimbursement** We agree to reimburse you up to \$4,000 for travel, hotel, and meal expenditures you incur in attending our Initial Training Program (“**Initial Training Reimbursement**”) You must submit to us the receipts for which you would like to be reimbursed on or before your Opening Date We will credit the Initial Training Reimbursement to your Franchised Business’s bank account within ten days after your Opening Date

5 **Vehicle** Section 5 3 of the Franchise Agreement is supplemented with the following

We will review the specifications of, or inspect, the Vehicle(s) you propose to use in connection with the Franchised Business and may require you to upgrade the vehicle to a newer and/or different make or model and to outfit such Vehicle(s) in accordance with our specifications before we grant you our approval to begin operating the Franchised Business

6 **Business Office Inspection and Upgrades** Section 5 7 of the Franchise Agreement is supplemented

with the following

If you propose to use the Existing Business's office as the premises for the Business Office of the Franchised Business, we have the right to inspect and approve or disapprove the premises. We may condition our approval on certain action items to be completed in order for the premises to meet our current standards and specifications. Such action items may include, without limitation, requirements to refurbish, update and upgrade the premises, signage, furniture, fixtures, and equipment. Any action items we that require be undertaken must be completed before we grant you our approval to begin operating the Franchised Business.

7 Liquidated Damages Section 6.3 of the Franchise Agreement is supplemented with the following

If we terminate this Agreement based on your default or if you terminate this Agreement in violation of its terms, and the Franchised Business is not yet open or has been open less than one full calendar week, you must pay us Liquidated Damages calculated as follows: (a) the greater of (i) the total Minimum Royalty Fee as would be calculated per the terms of this Agreement for the last 12 full months of the Existing Business's operation before your termination or our delivery of the notice of default (or, if less, the total number of months the Existing Business has been in operation), divided by the number of weeks in this 12-month (or lesser) period, or (ii) what the average weekly Royalty Fee would be per the terms of this Agreement for the last 52 weeks of the Existing Business's operation before your termination or our delivery of the notice of default (or the total number of weeks the Existing Business has been in operation, if less than 52 weeks), (b) plus the average weekly Marketing Fee as would be calculated per the terms of this Agreement for the last 52 weeks of the Existing Business's operation before your termination or our delivery of the notice of default (or the total number of weeks the Existing Business has been in operation, if less than 52 weeks), (c) multiplied by 156, and (d) discounted to present value using the then-current prime rate of interest quoted by our principal commercial bank. You acknowledge and agree that this calculation is a reasonable representation of our monetary losses of Royalty Fees and Marketing Fees from the termination of the Agreement.

8 Miscellaneous All other provisions of the Franchise Agreement remain in full force and effect. If any discrepancy or conflict arises between the provisions of this Amendment and the provisions of the Franchise Agreement, the provisions of this Amendment will control.

IN WITNESS WHEREOF, the parties have executed this Addendum to be made effective as of the Effective Date set forth above.

FRANCHISOR
101 MOBILITY FRANCHISE SYSTEMS, LLC
a North Carolina limited liability company

FRANCHISEE

a/an _____

By _____
Name _____
Title _____

Date _____

By _____
Name _____
Title _____

Date _____

**ATTACHMENT D
TO 101 MOBILITY® FRANCHISE AGREEMENT
SBA ADDENDUM**

THIS SBA ADDENDUM ("Addendum") is made and entered into on _____, 20____ ("Effective Date"), by 101 Mobility Franchise Systems, LLC, located at 5221 Oleander Dr, Wilmington NC 28403 ("Franchisor"), and _____, located at _____ ("Franchisee")

BACKGROUND

A Franchisor and Franchisee entered into a Franchise Agreement on _____, 20____, ("Franchise Agreement") The Franchisee agreed among other things to operate and maintain a 101 MOBILITY franchised business within the Area of Primary Responsibility designated by Franchisor in Attachment A of the Franchise Agreement as _____, Unit _____

B Franchisee has obtained from a lender a loan ('Loan') in which funding is provided with the assistance of the United States Small Business Administration ("SBA") The SBA requires the execution of this Addendum as a condition for obtaining the SBA assisted financing

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises below, and for good and valuable considerations in hand paid by each of the parties to the others, the receipt and sufficiency of which the parties acknowledge, the parties agree as follows

1 Franchise Agreement is in full force and effect, and Franchisor has sent no official notice of default to Franchisee under the Franchise Agreement that remains uncured on the date hereof

2 Notwithstanding anything to the contrary in Section 4.12 of the Franchise Agreement, the franchisee shall have the discretion to set pricing for its products and services provided that, subject to applicable antitrust laws, such pricing (1) is at or below any maximum price cap programs established by the franchisor for its franchise system, or (2) is at or above any minimum price threshold programs established by the franchisor for its franchise system, or (3) conforms to any bona fide promotional programs or national or regional accounts programs established from time to time by the franchisor for its franchise system

3 Franchisor will not unreasonably withhold, delay or condition its consent to any proposed transfer or assignment by Franchisee which requires Franchisor's consent under Sections 5.28(b) and 5.28(d) of the Franchise Agreement

4 If the franchisor must operate the business under Section 5.28(f) of the Franchise Agreement, Franchisor will operate the business for a 90 day renewable term, renewable as necessary for up to one year and the Franchisor will periodically discuss the status with the franchisee or its heirs

5 Section 5.28(g) of the Franchise Agreement provides that the Franchisor (or any third party assignee of the Franchisor) may elect pursuant to its right of first refusal to exercise said option when the Franchisee decides to sell partial interest(s) in the business This section is hereby amended to reflect that the Franchisor (or any third party assignee of the Franchisor) will not exercise the option for any partial sale of the Franchisee's business The Franchisor (third party assignee of the Franchisor) may not become a partial owner of any SBA financed franchises

6 Under Section 5.29 of the Franchise Agreement any SBA financed franchise will be granted a lien on the business assets of the Franchisee as required in its loan authorization

7 Notwithstanding anything to the contrary in Section 5.33 of the Franchise Agreement, the franchisor may designate one or more vendors for the call center services, provided, however, that the franchisee has the right to select its own vendor to use in place of any vendor selected by the franchisor, so

long as the franchisor determines whether the franchisee's vendor meets its standards. The franchisor's approval in this matter will not be unreasonably withheld.

8. This Addendum automatically terminates on the earliest to occur of the following: (i) a Termination occurs under the Franchise Agreement, (ii) the Loan is paid, or (iii) SBA no longer has any interest in the Loan.

IN WITNESS WHEREOF, the parties hereto have duly signed and executed this Addendum as of the Effective Date first above written.

FRANCHISOR

101 MOBILITY FRANCHISE SYSTEMS LLC
a North Carolina limited liability company

FRANCHISEE

a/an _____

By _____
Name _____
Title _____
Date _____

By _____
Name _____
Title _____
Date _____

ATTACHMENT E
TO 101 MOBILITY® FRANCHISE AGREEMENT
WAIVER OF LIABILITY, RELEASE, AND INDEMNIFICATION
FOR TRAINING PROGRAMS
(FOR FRANCHISEE OWNER TRAINEE)

I am an/the owner of _____ (“**Franchisee**”) Franchisee has signed a franchise agreement with 101 Mobility Franchise Systems, LLC In consideration for the training to be provided to me by 101 Mobility Franchise Systems, LLC (“**Franchisor**”), I agree, both for myself, individually and as guarantor of Franchisee, and on behalf of Franchisee (collectively, “**We**”) to the terms and conditions of this Waiver of Liability, Release, and Indemnification

We understand that

- Franchisor has invited, and may in the future once again invite, me onto the training premises (defined as Franchisor’s headquarters or offices, and/or any other training location or facility Franchisor designates) solely by virtue of Franchisee’s franchise relationship with Franchisor and solely for training purposes,
- Training may involve a variety of risks, which we are fully aware of and voluntarily agree to assume, including the risk of property damage, emotional injury, and bodily injury, including major or minor injury, permanent disability, paralysis, and possibly death, and
- Franchisor assumes no liability to me or Franchisee for any harm or claims of harm incurred or alleged to have been incurred while in training and/or on the training premises

We agree, jointly and severally, to fully indemnify and hold Franchisor, its affiliates, and each of their respective owners, officers, directors, agents, representatives, employees, and insurers (“**Franchisor Parties**”) harmless, to the fullest extent permitted by law, and to waive any and all liability of, release, and discharge, all and each of the Franchisor Parties, from and for any and all injuries, claims, damages, liability, loss, costs and expenses, arising out of or in any way related to any incident which occurs in the course of training or at any designated training facility(s), whether or not owned or controlled by Franchisor, even if caused in whole or in part by the negligence of any of the Franchisor Parties, including any Franchisor employee The indemnification, release, discharge and waiver applies, without limitation, to personal injury/death, property damage, and employment-related claims

I acknowledge and agree that I am solely responsible for covering the cost of any treatment for injuries or other losses or damages that I may sustain while in training or on the training premises Neither I nor Franchisee will attempt to hold any of the Franchisor Parties liable or financially responsible for any such losses or damages

Franchisee has and will maintain minimum insurance coverage as required by the franchise agreement and/or Franchisor, including worker’s compensation and employees’ liability At Franchisor’s request, Franchisee agrees to provide a certificate of insurance completed by Franchisee’s insurance carrier, certifying that the required minimum insurance coverage is in effect

By signing below I give my consent to Franchisor to arrange for medical treatment for any illness or injury that I might suffer while participating in the training or while on the training premises and agree that I will be responsible for the payment of any and all medical services provided

This Waiver of Liability and Release will be governed by the laws of the State of North Carolina, without regard to its conflict of law principles We agree and submit to the personal jurisdiction of the state or federal courts located in, or otherwise servicing, the county in which 101 Mobility Franchise Systems, LLC maintains its principal place of business and agree that such courts will hold the sole and exclusive jurisdiction over any and all disputes related to this Waiver of Liability and Release If there is any conflict between the terms of this Agreement and the franchise agreement described in the first paragraph above,

the parties agree that Franchisor will have sole discretion to determine which of the two agreements control the conflicting term(s) **WE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY ANY OF US FOR ANY CLAIM RELATED TO THIS AGREEMENT** The prevailing party to any action relating to this Agreement will be entitled to recover all reasonable related costs, expenses, and attorneys' fees

We have read and fully understand this Waiver of Liability, Release, and Indemnification For Training Programs, we understand its terms and conditions, and freely and voluntarily agree to the foregoing

FRANCHISEE

OWNERS/GUARANTORS and TRAINEES

By _____
Print Name _____
Title _____
Date _____

Print Name _____, Individually
Date _____

Print Name _____, Individually
Date _____

EXHIBIT B
STATE SPECIFIC APPENDIX TO DISCLOSURE DOCUMENT

101 MOBILITY FRANCHISE SYSTEMS, LLC

STATE SPECIFIC APPENDIX TO DISCLOSURE DOCUMENT

FOR THE STATE OF CALIFORNIA

- 1 SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE

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

SEE THE COVER PAGE OF THE DISCLOSURE DOCUMENT FOR OUR URL ADDRESS OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT WWW DBO CA GOV

- 2 Item 3, Additional Disclosure The following statement is added to Item 3

Neither we nor any person listed in Item 2 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 parties from membership in such association or exchange

- 3 Item 17, Additional Disclosures The following statements are added to Item 17

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or non-renewal of the 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 These provisions may not be enforceable under federal bankruptcy law (11 U S C A § 101, *et seq*)

The Franchise Agreement provides for application of the laws of North Carolina This provision may not be enforceable under California law

The Franchise Agreement provides for pre-arbitration mediation and/or arbitration for certain disputes The pre-arbitration mediation and/or arbitration will occur in Wilmington, North Carolina

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

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

You must sign a general release when you execute the Franchise Agreement and if you transfer your franchise or execute a successor Franchise Agreement These provisions may not be enforceable under California law California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516) Business and Professions Code Section 21000 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043)

While the earnings claims figures do reflect certain costs of goods sold, they do not reflect all operating expenses or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchise business. Franchisees or former franchisees, listed in the offering circular, may be one source of this information.

The Franchise Agreement requires that any action you bring be commenced in the jurisdiction where our principal business address is located. This provision may not be enforceable under California law. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a Franchise Agreement restricting venue to a forum outside the State of California.

FOR THE STATE OF ILLINOIS

Item 17 of the Disclosure Document is supplemented by the following:

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

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

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

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to these Additional Disclosures. The Additional Disclosures shall have no force or effect if such jurisdictional requirements are not met.

FOR THE STATE OF INDIANA

1 Item 17, Additional Disclosures The following statements are added to Item 17:

The Indiana Deceptive Franchise Practices Law (Indiana Code 23-2-2.7 et seq.) in general governs the relationship between the franchisor and the franchisee by forbidding certain provisions in the Franchise Agreement and related documents and by preventing the franchisor from engaging in certain acts and practices which could be considered coercive or oppressive to the master licensee. If any of the provisions of the Franchise Agreement conflict with this law, this law will control.

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

The Franchise Agreement provides that suit must be brought in North Carolina. These provisions may not be enforceable under Indiana law.

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

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Indiana Deceptive Franchise Practices Law are met independently without reference to these Additional Disclosures. The Additional Disclosures shall have no force or effect if such jurisdictional requirements are not met.

FOR THE STATE OF MINNESOTA

- 1 Trademarks The following statement is added to Item 13

Notwithstanding the foregoing, we will indemnify you against liability to a third party resulting from claims that your use of a Mark infringes trademark rights of a third party, provided, that we will not indemnify against the consequences of your use of the Marks unless the use is in accordance with the requirements of the Franchise Agreement and the System

- 2 Choice of Forum and Law/Jury Trial The following statement is added to Item 17

Minnesota Statute § 80C 21 and Minnesota Rule 2860 4400J prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial or requiring you to consent to liquidated damages, termination, penalties or judgment notes In addition, nothing in the Franchise Disclosure Document or Franchise Agreement can abrogate or reduce (1) any of your rights as provided for in Minnesota Statutes, Chapter 80C, or (2) your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction

- 3 General Release The following statement is added to Item 17

Minnesota Rule 2860 4400D prohibits us from requiring you to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C 01 – 80C 22

- 4 Notice of Termination/Transfer The following statement is added to Item 17

With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute § 80C 14, subdivisions 3, 4, and 5 which requires (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

- 5 Injunctive Relief The franchisee cannot consent to the franchisor obtaining injunctive relief The franchisor may seek injunctive relief See Minnesota Rules 2860 4400J

The provision of this Additional Disclosure shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota franchise statutes are met independently without reference to these Additional Disclosures

FOR THE STATE OF NEW YORK

- 1 Item 3, Litigation Except for the litigation disclosure contained in item 3, Item 3 is deleted and replaced with the following

Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, has any administrative, criminal, or a material civil or arbitration action pending against him alleging a violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property, or comparable allegations

Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, has been convicted of a felony or pleaded nolo contendere to any other felony charge or, during the ten-year period immediately preceding the application for registration, been convicted of a misdemeanor or pleaded nolo contendere to any misdemeanor charge or been found liable in an arbitration proceeding or a civil action by final judgment, or been the subject of any other material complaint or legal or arbitration proceeding if such misdemeanor conviction or charge, civil action, complaint, or other such proceeding involved a violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property, or comparable allegation

Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, is subject to any currently effective injunctive or restrictive order or decree relating to franchises, or under any federal, state, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law as a result of 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

No additional litigation is required to be disclosed in this Disclosure Document

2 Item 4, Bankruptcy Item 4 is deleted and replaced with the following

Neither we nor any of our predecessors, affiliates, or officers, during the 10-year period immediately before the date of the Disclosure Document (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 one year after the officer or general partner of the franchisor held this position in the company or partnership

3 Item 17, Additional Disclosures The following statements are added to Item 17

We will not assign our rights under the Franchise Agreement, except to an assignee who in our good faith and judgment is willing and able to assume our obligations under the Franchise Agreement

The New York Franchises Law requires that New York law govern any cause of action which arises under the New York Franchises Law

The New York General Business Law, Article 33, Sections 680 through 695 may supersede any provision of the Franchise Agreement that is inconsistent with that law

You must sign a general release when you enter the Franchise Agreement, upon entering into a successor Franchise Agreement, and in connection with any transfer under the Franchise Agreement These provisions may not be enforceable under New York law

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

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of New York General Business Law, Article 33, Section 680 through 695, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200 1 through 201 16, are met independently without reference to these Additional Disclosures

FOR THE STATE OF RHODE ISLAND

1 Item 17, Additional Disclosure The following statement is added to Item 17

Section 19-28 1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act ”

The provision of this Additional Disclosure shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Law are met independently without reference to these Additional Disclosures

FOR THE STATE OF VIRGINIA

The following is added to the Disclosure Document for Virginia residents

Item 17 h , Additional Disclosures

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

The provision of this Additional Disclosure shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Virginia Retail Franchising Act are met independently without reference to these Additional Disclosures

EXHIBIT C
GENERAL RELEASE
(SAMPLE FORM)

GENERAL RELEASE

(SAMPLE FORM)

THIS GENERAL RELEASE ("**Release**") is executed on _____ by _____ ("**Franchisee**"), and _____ ("**Guarantors**") as a condition of (1) the transfer of the 101 Mobility Franchise Agreement dated [month] [day], [year] between 101 Mobility Franchise Systems, LLC ("**101 Mobility**") and Franchisee ("**Franchise Agreement**"), (2) the execution of a renewal Franchise Agreement by Franchisee and 101 Mobility, (3) any other event under the Franchise Agreement or 101 Mobility's consent to a request by Franchisee

1 Release by Franchisee and Guarantors Franchisee (on behalf of itself and its parent, any subsidiaries, and affiliates and their respective past and present officers, directors, shareholders, managers, members, agents, and employees, in their corporate and individual capacities), and Guarantors (on behalf of themselves and their respective heirs, representatives, successors and assigns) (collectively, the "**Releasors**") freely and without any influence forever and fully release (i) 101 Mobility, (ii) 101 Mobility's past and present officers, directors, shareholders, managers, members, agents, and employees, in their corporate and individual capacities, and (iii) 101 Mobility's parent, subsidiaries, and affiliates and their respective past and present officers, directors, shareholders, managers, members, agents, and employees, in their corporate and individual capacities (collectively, the "**Released Parties**"), from any and all claims, debts, damages, costs, demands, liabilities, suits, judgments, and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively, "**Claims**"), which any Releasor ever owned or held, now owns or holds, or may in the future own or hold, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances, and claims arising out of, or relating to, the offer or sale of the 101 MOBILITY franchise opportunity, the Franchise Agreement, the relationship created thereunder, and all other agreements between any Releasor and 101 Mobility or 101 Mobility's parent, subsidiaries, or affiliates

2 Risk of Changed Facts Franchisee and Guarantors understand that the facts in respect of which the release in Section 1 is given may turn out to be different from the facts now known or believed by them to be true. Franchisee and Guarantors hereby accept and assume the risk of the facts turning out to be different and agree that the release in Section 1 shall nevertheless be effective in all respects and not subject to termination or rescission by virtue of any such difference in facts

3 Covenant Not to Sue Franchisee and Guarantors (on behalf of Releasors) covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any person or entity released under Section 1 with respect to any Claim released under Section 1

4 No Prior Assignment and Competency Franchisee and Guarantors represent and warrant that (i) the Releasors are the sole owners of all Claims and rights released in Section 1 and that the Releasors have not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim released under Section 1, (ii) each Releasor has full and complete power and authority to execute this Release, and that the execution of this Release shall not violate the terms of any contract or agreement between them or any court order, and (iii) this Release has been voluntarily and knowingly executed after each of them has had the opportunity to consult with counsel of their own choice

5 Complete Defense Franchisee and Guarantors (i) acknowledge that the release in Section 1 shall be a complete defense to any Claim released under Section 1, and (ii) consent to the entry of a temporary or permanent injunction to prevent or end the assertion of any such Claim

6 Successors and Assigns This Release will inure to the benefit of and bind the successors, assigns, heirs, and personal representatives of the Released Parties and each Releasor

7 **Counterparts** This Release may be executed in two or more counterparts (including by facsimile), each of which shall be deemed an original, and all of which shall constitute one and the same instrument

IN WITNESS WHEREOF, Franchisee and Guarantors have executed this Release as of the date shown above

[This General Release will be modified as necessary for consistency with any state law regulating franchising]

ATTEST

By _____

Print Name _____

FRANCHISEE

By _____
Print Name _____
Title _____
Date _____

WITNESS

Print Name _____

GUARANTORS

Print Name _____
Date _____

WITNESS

Print Name _____

Print Name _____
Date _____

EXHIBIT D
NONDISCLOSURE AND NONCOMPETE AGREEMENT

NONDISCLOSURE AND NONCOMPETE AGREEMENT

This Nondisclosure and Noncompete Agreement is dated _____ The parties are _____ (referred to as "we", "us", and "our"), located at _____, and _____ (referred to as "you" and "your") You are signing this Agreement in consideration of, and as a condition to, your association with us and the compensation, dividends, or other payments and benefits you will receive from us

BACKGROUND

We are a franchisee of 101 Mobility Franchise Systems, LLC ("101 Mobility") under a 101 Mobility Franchise Agreement dated _____ (the "Franchise Agreement") We have a license to use certain trademarks designated by 101 Mobility (the "Marks"), certain policies and procedures used in 101 Mobility businesses (the "System"), and the Confidential Information developed and owned by 101 Mobility in our 101 Mobility business (the "Business") within a certain geographically defined area of primary responsibility (the "APR") 101 Mobility recognizes that, in order for us to effectively operate our business, our employees must have access to certain proprietary information and trade secrets owned by 101 Mobility Disclosure of this proprietary information and trade secrets to unauthorized persons, or its use for any purpose other than the operation of our business, would harm 101 Mobility, other franchise owners, and us Accordingly, 101 Mobility requires us to have you to sign this Franchise Agreement

AGREEMENT

1 Confidential Information As used in this Agreement, "Confidential Information" means all manuals, trade secrets, know-how, methods, training materials, information, management procedures, and marketing and pricing techniques relating to the Business, the 101 Mobility System, or 101 Mobility's business In addition, Confidential Information includes all marketing plans, advertising plans, business plans, financial information, member information, employee information, and other proprietary information of 101 Mobility, 101 Mobility's affiliates, or us (collectively, the "Interested Parties") that you obtain or we may disclose in confidence to you either orally, in writing, or electronically, during your association with us For purposes of this Agreement, Confidential Information, other than trade secrets, shall not remain protectable three years after the Agreement has been terminated or has expired

2 Nondisclosure You agree not to use or disclose, or permit anyone else to use or disclose, any Confidential Information to anyone outside of our organization (other than the Interested Parties) and not to use any Confidential Information for any purpose except to carry out your duties as our employee You also agree not to claim any ownership in or rights to Confidential Information and not to challenge or contest our, 101 Mobility's, or 101 Mobility's affiliates' ownership of it These obligations apply both during and after your association with us

3 Return of Confidential Information If your association with us ends for any reason, you must return to us all records described in Section 1, all other Confidential Information, and any authorized or unauthorized copies of Confidential Information that you may have in your possession or control You may not retain any Confidential Information after your association with us ends

4 Noncompete During Association You may not, during your association with us, directly or indirectly, by yourself or on behalf of, with, or through any person or entity, and without our prior written consent

(a) own, manage, engage in, be employed by, advise, make loans to, or have any other interest in any business that operates or licenses others to operate any business that offers products or services relating to the sale, rent, installation or servicing of mobility-related or accessibility-related

equipment at any location in the United States or by any means, including, without limitation, sales via the Internet or catalogs ("**Competitive Business**"),

(b) divert or attempt to divert any business or customer or potential business or customer of the Business to any Competitive Business, by direct or indirect inducement or otherwise,

(c) perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System,

(d) use any vendor relationship established through your association with us for any purpose other than to purchase products for use or retail sale in the Business, or

(e) directly or indirectly solicit for employment any person who at any time within the immediate past 12 months has been employed by (i) us, (ii) 101 Mobility, (iii) our or 101 Mobility's affiliates, or (iv) any 101 Mobility franchisee

5 Noncompete After Association Ends For two years after your association with us ends for any reason, you may not, directly or indirectly, by yourself or on behalf of, with, or through any person or entity, and without our prior written consent

(a) own, manage, engage in any managerial capacity, be employed in any managerial capacity by, advise, make loans to, or have any other interest in any Competitive Business that operates, is located, or offers or provides products or services within our APR, a 10-mile radius surrounding your APR, or within any APR then-assigned to a 101 MOBILITY business,

(b) solicit any individual or company that has been a customer of our Business within two years prior to the date you left our business, for the purpose of inducing that person or company to become a customer of any Competitive Business, or

(c) solicit for employment any person who at any time within the immediate past 12 months has been employed by (i) us, (ii) 101 Mobility, (iii) our or 101 Mobility's affiliates, or (iv) any 101 Mobility franchisees

6 Remedies If you breach or threaten to breach this Agreement, you agree that we will be entitled to injunctive relief (without posting bond) as well as a suit for damages

7 Severability If any part of this Agreement is declared invalid for any reason, the invalidity will not affect the remaining provisions of this Agreement. If a court finds any provision of this Agreement to be unreasonable or unenforceable as written, you agree that the court can modify the provision to make it enforceable and that you will abide by the provision as modified

8 Independent Agreement This Agreement is independent of any other obligations between you and us. This means that it is enforceable even if you claim that we breached any other agreement, understanding, commitment, or promise

9 Third Party Right of Enforcement You are signing this Agreement not only for our benefit, but also for the benefit of 101 Mobility and 101 Mobility's affiliates. We, 101 Mobility, and our or 101 Mobility's affiliates have the right to enforce this Agreement directly against you

10 Not An Employment Agreement This is not an employment agreement. Nothing in this Agreement creates or should be taken as evidence of an agreement or understanding by us, express or implied, to continue your association with us for any specified period

11 Modification and Waiver Your obligations under this Agreement cannot be waived or modified except in writing

12 Governing Law This Agreement is governed by the laws of the State of North Carolina

13 Attorney's Fees If we have to take legal action to enforce this Agreement, we will be entitled to recover from you all of our costs, including reasonable attorney s fees, to the extent that we prevail on the merits

14 Representation You certify that you have read and fully understood this Agreement, and that you entered into it willingly

WITNESS

EMPLOYEE

WITNESS

EMPLOYER

EXHIBIT F
MANUAL TABLE OF CONTENTS

Table of Contents Introduction

101 MOBILITY IN 101 WORDS	1
WELCOME LETTER	2
101 MOBILITY COMPANY HISTORY	3
SERVICES PROVIDED TO FRANCHISES	4
Initial Training	4
Initial Onsite Assistance	4
Ongoing Training & Support	4
Approved Suppliers	5
Advertising Materials & Sales Aids	5
Franchise Councils	5
Ongoing Research & Development	5
FRANCHISE RESPONSIBILITIES	6
Responsibilities to Your Customers	6
Responsibilities to Your Employees	7
Responsibilities to Your Fellow Franchisees	7
Responsibilities to 101 Mobility Franchise Systems, LLC	8
PAYING OTHER FEES	9
Additional Training	9
Additional Assistance	9
Transfer Fee	9
Successor Fee	10
Late Payments	10
Audit	10
Call Center	10
Software & Maintenance Fee	10
Referral Fee	11
Commission Fee	11
Testing	11
Inspection Expense	11
Remedial Expense	11
Indemnification	12
Attorneys' Fees	12
VISITS FROM THE CORPORATE OFFICE	13

Table of Contents Pre-Open

PRE-OPENING CHECKLIST	1
Business Opening Pre-Opening Checklist	1
ESTABLISHMENT OF BUSINESS FORM	4
Business Structures	4
Liability for Debts of Business Activity	5
Federal Income Taxation of Business Profits	5
Potential for Double Taxation Upon Withdrawal of Business Profits (for federal tax purposes)	6
Deduction of Business Losses by Owners	6
Social Security & Medicare Tax Imposed on Business Profits	6
Retirement Plans	7
SECURING A LOCATION	8
Site Criteria	8
Market Analysis	8
Site Acceptance	11
Lease Considerations	11
BUILDING OUT YOUR SITE	13
Licenses/Permits	14
Utilities & Other Services	16
VEHICLE SPECIFICATIONS	17
SETTING UP BANK ACCOUNTS	18
Accounts to Open	18
GETTING INSURANCE	20
MEETING YOUR TAX OBLIGATIONS	21
Employer Identification Number	21
Federal Taxes	22
State Taxes	22
Taxes & Resale Certificates	23
Sales Tax	23
REQUIRED LIST OF EQUIPMENT	24
INITIAL INVENTORY	26
INITIAL ONLINE AD BUDGET EXPECTATIONS/GRAND OPENING/TRADITIONAL ADVERTISING	27
Planning	30

Table of Contents Human Resources

WORKING WITH INDEPENDENT CONTRACTORS/	
SUB CONTRACTORS	1
Employees vs. Independent Contractors	1
Qualifying Independent Contractors	4
Paying Independent Contractors	5
EEOC GUIDELINES	6
Employers Covered by EEOC-Enforced Laws	6
How Employees Are Counted	6
Record Keeping Requirements	7
Reporting Requirements	7
Charge Processing Procedures	7
Mediation	8
Remedies	9
Regulatory Enforcement Fairness Act	9
Technical Assistance	9
Informal Guidance	10
Publications	10
LAWS REGARDING HARASSMENT	11
Sexual Harassment	11
Racial & Ethnic Harassment	11
Pregnancy Discrimination	12
Religious Accommodation	12
IMMIGRATION REFORM/CONTROL ACT	13
WAGE & LABOR LAWS	14
What the FLSA Requires	14
What the FLSA Does Not Require	16
FLSA Minimum Wage Poster	16
EMPLOYEE PROFILE	17
JOB DESCRIPTIONS	20
Director of HME	20
Assistant to HME Director	23
Office Manager	26
Sales & Marketing	27
Warehouse Manager	29
Customer Service Representative	32
CMN Documentation Specialist	34
RECRUITING EMPLOYEES	37

Determining Hiring Needs	38
Spreading the Word	38
Screening	38
THE INTERVIEW PROCESS	40
Background & Reference Check	49
Job Offer	50
HIRING ON A TRIAL BASIS	52
DEVELOPING PERSONNEL POLICIES	53
EMPLOYEE ORIENTATION	61
Forms	61
Policies & Benefits	62
Overview of Operation	63
TRAINING	64
Training Tips	64
Initial Training	65
Ongoing Training	67
COACHING	68
Converse with Me	68
Coaching Techniques	70
TRACKING SALES STAFF EFFECTIVENESS	72
Self-Evaluation	72
UNIFORM & DRESS CODE	73
PERFORMANCE EVALUATIONS	75
Evaluation Process	76
Review Meeting	77
PROGRESSIVE DISCIPLINE	79
TERMINATION/SEPARATION	82
Termination	82
Resignation	83

Table of Contents Sales

DEVELOPING A SALES PLAN	1
The Sales Plan	1
LEAD MANAGEMENT	3
Lead Follow Up	6
Lead Qualification	5
Looking for Referral Business	6

INCOMING SALES CALLS	8
Message Taking & Follow-Up	8
Telephone Inquiries	9
PROPER HANDLING OF WALK-IN CUSTOMERS	11
Opening the Sale	11
Probing	13
Product Demonstration	14
RETAILING PRINCIPLES	15
Standards of Display & Merchandising	16
PREPARING FOR SALES ACTIVITIES	17
101 Mobility Sales Flow	17
Qualifying Leads	19
Understanding Your Competition	20
Understanding 101 Mobility Competitive Advantages	20
THE 101 MOBILITY SALES PRESENTATION	22
The Basics	22
Product Knowledge	24
The Sales Presentation Overview	24
Contacting Prospective Referral Sources	27
PRICING THE JOB	30
Presenting the Contract	30
CLOSING THE SALE	31
Handling Pricing Objections	31
PROSPECT MANAGEMENT	32
Follow-up Procedures	32
Re-Hash Program	33

Table of Contents Office

SUGGESTED HOURS OF OPERATION	1
CUSTOMER SERVICE	2
Our Customer Philosophy	3
Obtaining Customer Feedback	3
Handling Complaints	4
Handling Return/Refund Requests	7
101 Mobility Labor & Material Warranty Program	7
Mystery Shopper Program	8
SALES & ORDER FLOW	10
ORDER-ENTRY PROCEDURES	11

SCHEDULING JOBS	12
BILLING	14
Accepting Payment	14
Data Security and PCI Compliance	15
Collections	16
INVENTORY MANAGEMENT	16
Products	18
"Bulk" Inventory vs "Serial Number Used"	20
Inventory Adjustments	22
Physical Assets	23
Using Approved Suppliers	24
Ordering Procedures	27
Receiving Procedures	27
Physical Inventory Counts	28
Accounting	29
FRANCHISE REPORTING	29
Required Reports	29
Chart of Accounts	30
Electric Funds Transfer	30
Royalty	30
System Ad Fund	31
Regional Cooperative Advertising	31
Record Retention	31
MAINTAINING THE FACILITY	32
Daily Cleaning	32
Weekly Cleaning	33
Monthly Cleaning	33
MAINTAINING VEHICLES	34
Maintenance Schedule	34
OSHA COMPLIANCE	36
OSHA Requirements	36
Small Business Employers	36
Contact Information	37
SAFETY & SECURITY	38
Safety Rules	38
Accident Reporting & Investigation	41
Worker's Compensation Issue	42
Fire Safety	43
Robbery	44
Burglary	45

Table of Contents Installation

PRE-INSTALLATION STEPS	1
Installation Paperwork	1
Preparing the Vehicle for Installation Jobs	2
Required Tools & Equipment for Installation	
Jobs	3
Greeting the Customer	4
INSTALLATION STEPS	6
Installation Overview	6
Installation Steps	6
Cleaning Up the Jobsite	8
Damage to Customer Property	8
RECEIVING SERVICE & REPAIR CALLS	10
Determining Nature of Service or Repair	11
Performing Necessary Repairs	12
Communicating Repairs to the Customer	12
JOB SITE SAFETY	13
Common Causes of Job Site Accidents	13
Six Factors that Frequently Cause Accidents	13
General Safety Guidelines	14
JOB SITE BEHAVIOR	16
Vehicles - Outside Maintenance	16
Vehicles - Inside Maintenance	16
Tobacco Use	16
Music & Food on the Jobsite	17
Bathroom Etiquette	17

Table of Contents Marketing

MARKETING & ADVERTISING PLAN	1
Marketing Plan	1
The Advertising Plan	4
TRADE/HOME SHOWS	10
LOGO SPECIFICATIONS	13
Signage Requirements	14
Vehicle Signage	15
Stationery & Business Cards	15

USING THE 101 MOBILITY MARKS	16
REQUIRED ADVERTISING EXPENDITURES	17
System Ad Fund	17
Grand Opening Advertising	17
PUBLIC RELATIONS	18
Writing a Press Release	22
Putting Together a Press Kit	23
COMMUNITY INVOLVEMENT	28
Networking	26
OBTAINING ADVERTISING APPROVAL	26

EXHIBIT G
LIST OF STATE ADMINISTRATORS
AND
LIST OF AGENTS FOR SERVICE OF PROCESS

LIST OF STATE ADMINISTRATORS

STATE	STATE ADMINISTRATOR
CALIFORNIA	Department of Business Oversight 320 West 4 th Street, Suite 750 Los Angeles, California 90013 (213) 576-7505 (866) 275-2677
HAWAII	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street Honolulu, Hawaii 96813 (808) 586-2722
ILLINOIS	Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465
INDIANA	Securities Commissioner Indiana Securities Division 302 West Washington St , Room E-111 Indianapolis, Indiana 46204 (317) 232-6681
MARYLAND	Office of the Attorney General Securities Division 200 St Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360
MICHIGAN	Department of Attorney General Consumer Protection Division Franchising Unit 525 West Ottawa Street G Mennen Williams Building, 1 st Floor Lansing, Michigan 48913 (517) 373-1837
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 500 St Paul, Minnesota 55101-2198 (651) 296-4026
NEW YORK	New York State Department of Law Bureau of Investor Protection and Securities 120 Broadway New York, New York 10271-0332 (212) 416-8222
NORTH DAKOTA	North Dakota Securities Department 600 East Blvd Ave , Fifth Floor Dept 414 Bismarck, North Dakota 58505-0510 (701) 328-4712

STATE	STATE ADMINISTRATOR
RHODE ISLAND	Securities Division Department of Business Regulation 1511 Pontiac Avenue, Building 69-1 Cranston, Rhode Island 02920 (401) 462-9585
SOUTH DAKOTA	Department of Labor and Regulation Division of Securities 445 East Capitol Pierre, South Dakota 57501-3185 (605) 773-4823
TEXAS	Statutory Document Section Secretary of State P O Box 12887 Austin, Texas 78711
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street 9 th Floor Richmond, Virginia 23219 (804) 371-9672
WASHINGTON	Department of Financial Institutions Securities Division 150 Israel Road, S W Tumwater, Washington 98501 (360) 902-8760
WISCONSIN	Securities and Franchise Registration Wisconsin Securities Commission 345 West Washington Street, 4 th Floor Madison, Wisconsin 53703 (608) 266-3364

LIST OF STATE AGENTS FOR SERVICE OF PROCESS

STATE	AGENT
CALIFORNIA	Commissioner of Business Oversight Department of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, CA 90013
ILLINOIS	Illinois Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-1090
INDIANA	Secretary of State Administrative Offices of the Secretary of State 201 State House Indianapolis, IN 46204 (317) 232-6681
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Attn Franchise Section 525 W Ottawa St G Mennen Williams Bldg , 1 st Floor Lansing, Michigan 48913 (517) 373-7117
MINNESOTA	Minnesota Commissioner of Commerce 85 7th Place East, Suite 500 St Paul, MN 55101-2198 (651) 296-4026
NEW YORK	Secretary of State of the State of New York One Commerce Plaza 99 Washington Avenue Albany, NY 12231
NORTH CAROLINA	CT Corporation System 150 Fayetteville Street, BOX 1011 Raleigh, NC 27601-2957
RHODE ISLAND	Director of Business Regulation Division of Banking and Securities 233 Richmond Street, Suite 232 Providence, RI 02903-4232 (401) 222-3048
VIRGINIA	Clerk of the State Corporation Commission 1300 East Main Street 9th Floor Richmond, VA 23219 (804) 371-9733

EXHIBIT H
LIST OF CURRENT FRANCHISEES
AND
LIST OF FORMER FRANCHISEES

LIST OF CURRENT FRANCHISEES

Franchised Outlets Open
As of December 31, 2018

STATE	FRANCHISEE	ADDRESS	NO OF OUTLETS¹	TELEPHONE
Alabama	RDG Team, LLC Derek Gann	6600 Walk Drive, Suite E Birmingham, AL 35242	2	205-538-5692
Arizona	Total Mobility & Accessibility of Arizona, LLC Larry Wright and Dave Malloy	6505 W Frye Road, Suite 24, Chandler, AZ 85226	4	480-553-7029
Arkansas	Arkansas Mobility Solutions Gordon and Jen Raney	10 Collins Industrial Plc Suite A Maumelle, AR 72113	2	501-404-9008
California	Carriage 22 Gary & Kindra French	5671 Palmer Way, Ste F, Carlsbad, CA 92010	3	858-800-2820
	GIGA Corp Gary Bucher	729 West 16th St, USte A4, Costa Mesa, CA, 92627	3	714-267-3700
	Sacramento Valley Mobility, Inc Paul Lenser	230 King Rd , Roseville, CA 95678	4	916-432-3781
	Jhutti Mobility, Inc Rammy Jhutti	2109 O'Toole Ave, Ste C, San Jose, CA 95131	3	408-724-5081
Colorado	Mobility Services of Colorado, Inc Kurt Shymanski	7302 S Alton Way Ste D, Centennial, CO 80112	3	303-459-6990
Connecticut	Mobility Access, LLC John Macdonald	25 Harvest Ln, West Harford, CT 06110	3	860-904-6653
Delaware	Madrag, LLC Michel Ragland	5270 Oley Turnpike Road Reading, PA 19606	1	610-779-6961
	Shore Mobility, Inc Lee Marks	58 Log Canoe Circle Stevensville, MD 21666	1	443-453-5737
Florida	SSD Mobility, LLC Daniel Azulay	1000 W Pembroke Rd Hallandale Beach, FL 33009	2	754-202-4493

STATE	FRANCHISEE	ADDRESS	NO OF OUTLETS¹	TELEPHONE
	3 Tornado Holdings, LLC ⁵ Robert Hernandez	649 U S Highway 1, Ste 5, North Palm Beach, FL 33408	1	561-249-7162
	Advanced Mobility Solutions Corp Francisco Olivera	5844 S Semoran Blvd, Orlando, FL 32822	6	407-271-4199
	Florida Mobility Equipment Co, LLC Chuck Vollmer	5975 Cattlemen Lane Sarasota, FL 34232	1	941-378-0797
	Solwave, LLC James Sok	4949 Sunbeam Rd Ste 1, Jacksonville, FL 32257	2	904-891-9515
Georgia	Stay Active, Inc Garol Orr Wayne Offenhauer	935 Hwy 124, Ste 206 Braselton, GA 30517	7	770-791-2000
Idaho	Stallones Mobility, LLC A J Stallones	905 S Industry Way, Suite 107, Meridian, ID 83642	1	208-906-3881
Illinois	Progressive Independence, LLC Nick Lopez Elizabeth Lopez	34W 920 Duchesne Dr Dundee, IL 60118	4	847-551-5911
	TRN Mobility Solutions, LLC Tara Nieberding	1701 Quincy Avenue, Unit 12 Naperville, IL 60540	2	630-524-0015
	Kasper Healthcare Enterprises, Inc Rick Kasper	11535 W 183rd Place, Suite 102, Orland Park Illinois 60467	2	708-968-1250
Indiana	Indy Access & Mobility Jon & Kerry Thomas	8501 Bash St Ste 600, Indianapolis, IN 46250	2	317-793-2490
	NWI Mobility, Inc Jeff Schreiber	1454 E 86th Pl, Merrillville, IN 46410	1	219-350-0031
Iowa	Mobility & Access Solutions Dave Aschoff	5500 NW Johnston Dr Suite G, Johnston, IA 50131	2	515-278-5669
Kansas	Heartland Access Solutions, LLC Bill Schwartz	8401 Melrose Drive, Bldg F, Lenexa, KS 66214	4	913-533-7717

STATE	FRANCHISEE	ADDRESS	NO OF OUTLETS¹	TELEPHONE
Kentucky	1 st Mobility, LLC Jerry Kieffer	924 Woodford Ave , Bowling Green, KY 42101	1	855-211-1303
	Access & Mobility Enterprises, Inc Bob Murdock	302 Virginia Avenue, Huntington, WV 25701	1	304-522-6808
Maine	Mobility New England, LLC Mat Soch	41 Stonybrook Rd , Cape Elizabeth, ME, 04107	2	207-424-1300
Maryland	Madrag, LLC Michel Ragland	5270 Oley Turnpike Road Reading, PA 19606	2	610-779-6961
	Total Mobility, LLC Matt Riordan	201 Davis Drive, Unit NN, Sterling, VA 20164	1	703-574-4721
	Shore Mobility, Inc Lee Marks	58 Log Canoe Circle Stevensville, MD 21666	2	443-453-5737
Michigan	Home Unbound Michigan, Inc Hamilton Gayden	465 Enterprise Court, Bloomfield Hills, MI 48302	6	615-482-0677
Missouri	Kohlbrecher Mobility, LLC Brad Kohlbrecher Kristine Kohlbrecher	4025 S Old Highway 94 Unit T St Charles, MO 63304	2	636-447-1414
Nevada	MKA Inc Ed and Michelle Andres	3151 W Tompkins Ave , Las Vegas, NV 89103	2	408-367-9216
New Jersey	OPM Management, LLC Dave Muti	315 Wootton Street - Unit C, Boonton, NJ 07005	3	973-794-6481
	Doluri, Inc Dominic Romano	1065-A Raritan Rd , Clark, NJ 07066	3	973-995-1900
New York	AJT Mobility, Inc John Michielini	55 Central Avenue Unit B Farmingdale, NY 11735	3	516-500-3100
	Millan Healthcare Solutions, LLC Miguel Millan	1249 Ridgeway Ave Suite Z Rochester, NY 14615	1	585-270-5689

STATE	FRANCHISEE	ADDRESS	NO OF OUTLETS¹	TELEPHONE
	Accessible Resources, LLC Glenn Shapiro	768 North Broadway, White Plains, NY 106031	1	914-939-6314
North Carolina	Barnhardt Mobility, LLC Keith Barnhardt	1801 Ramsey St, Fayetteville, NC 28301	1	910-779-0781
	AMAJIS Group, Inc Mike & Allison Spears	2617 Rowland Rd , Ste 104 Raleigh, NC 27615	2	919-800-8667
	L&L Access, LLC ⁶ Luke Sampson and Lisa Wertheim	126-A Statesville Blvd Salisbury, NC 28144	2	704-310-5964
Ohio	Merici Ltd Moirra Bonn	9723 Kenwood Road, Cincinnati, OH 45242	2	513-538-0900
	Franklin Works, LLC Jeff and Lisa Franklin	1536 Westbelt Drive, Columbus, OH 43228	5	740-548-5449
		38273 Airport Pkwy Willoughby, OH 44904		470-975-1931
Oklahoma	Oklahoma Mobility Solutions, LLC Gordon Raney	9402 E 55 th Place Suite A Tulsa, OK 74145	2	918-999-0333
Pennsylvania	Jemilex, Inc David Myers	3430 Progress Drive Suite E Bensalem, PA 19020	5	215-638-0101
	Lucasforce, Inc Craig Lucas	507 North York Street, Ste 3 Mechanicsburg, PA 17055	2	717-775-5852
	101 Cameo Appearances, LLC Greg Slepecki	770 Vista Park Dr Bldg #7 Pittsburgh, PA 15205	2	412-787-7981
	Madrag, LLC Michel Ragland	5270 Oley Turnpike Road Reading, PA 19606	3	610-779-6961
South Carolina	Upstate Carolina Mobility, LLC Janice Gordon	5539 Hwy 81 N Williamston, SC 29697	2	864-269-6985

STATE	FRANCHISEE	ADDRESS	NO OF OUTLETS¹	TELEPHONE
Tennessee	1 st Mobility, LLC Jerry Kieffer	924 Woodford Ave , Bowling Green, KY 42101	2	855-211-1303
	The Appliance Place, LLC David Dean	211 Sherway Rd , Ste A Knoxville, TN 37922	2	865-896-9425
	Weatherly Mobility Enterprises, LLC Jimmy Weatherly	3840 Viscount Ave Ste 14, Memphis, TN 38118	1	901-779-4199
Texas	Hill Country Mobility Jill Taylor	6335 Camp Bullis Rd, Ste A5, San Antonio, TX 78257	1	210-265-6188
	Total Accessibility, Inc Kellye Jennings	715 Discovery Blvd , Suite 504, Cedar Park, TX 78613	2	512-829-1101
	North Texas 101 Mobility, LLC Gordon & Jennifer Raney	5646 Milton St Suite 434 Dallas, TX 75206	5	214-484-7181
	Behrens Residential Elevators and Lifts, LLC Todd and Melissa Behrens and Lisa Werthem	2902 Avenue R ½, Galveston, TX 77550	2	409-599-1322
	LMJC, Inc Christian Fitsch- Mouras	5829 W Sam Houston Pkwy, #701, Houston, TX 77041	5	832-701-0101
Utah	Gasoro LLC Kyle Binns	9380 South 670 West Unit B Sandý, UT 84070	2	801-999-8270
Virginia	Total Mobility, LLC Matt Riordan	201 Davis Drive Unit NN Sterling, VA 20164	1	703-574-4721
	Barnhardt Mobility, LLC Keith Barnhardt	1431 Air Rail Ave, Virginia Beach, VA 23455	3	757-774-6677
Washington	Rainy Mobility, LLC Scott Baluch	5007 Pacific Highway East, Unit 15, Fife, WA 98424	1	253-922-4540
Washington D C	Total Mobility, LLC Matt Riordan	201 Davis Drive Unit NN Sterling, VA 20164	1	703-574-4721

STATE	FRANCHISEE	ADDRESS	NO OF OUTLETS ¹	TELEPHONE
West Virginia	Bob Murdock	302 Virginia Ave Huntington, WV 25701	1	304-522-6808
Wisconsin	Garth Point Group, Inc Mike and Mary Lynn Larson	2312 W Nordale Drive, Appleton, WI 54914	2	920-738-7001
	DmDz, Inc Donna Dzievik	1900 Airport Rd Unit B Waukesha, WI 53188	3	262-524-0900

**Franchised Agreements Signed But Not Opened
As of December 31, 2018**

STATE	FRANCHISEE	ADDRESS	NO OF OUTLETS ¹	TELEPHONE
Indiana	LGW Specialty Supplier, LLC Bryan Dalton	539 Champion Road #4, Jeffersonville, IN 47130	1	812-913-0063
New Jersey	Doluri, Inc Dominic Romano	1065-A Raritan Rd , Clark, NJ 07066	3	973-995-1900

Note 1 The term “Outlets” as used in the above franchisee lists is consistent with the term “Outlets” used in the Item 20 charts and is the equivalent of the term “APR” or Area of Primary Responsibility as defined in the franchise agreement. Except in two instances where franchisees were granted the right to additional APRs under their then-existing franchise agreements—in Reading, Pennsylvania/Delaware, and Pittsburg, Pennsylvania—each APR is governed by its own separate franchise agreement.

LIST OF FORMER FRANCHISEES

As of December 31, 2018

Franchisees who were terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under their franchise agreement as of December 31, 2018, or who have not communicated with us within the last 10 weeks

Transfers

STATE	FRANCHISEE	CITY	NO OF OUTLETS ¹	PHONE NUMBER
California	Now Voyager Mobility, Inc Virgil Moore	San Jose	3	669-222-9264
Colorado	Blue Bear Services, LLC Chris Boyle	Centennial	3	303-570-6287
New Jersey	Sanvin Group, Inc Vinay Bahuguna and Sanjiv Singh	Rockaway	3	732-261-6824
South Carolina	Franchise MSC of SC II, LLC Tammy Crim & Beth Berlin	Charleston	2	803-794-0601

Purchased by Franchisor

STATE	FRANCHISEE	CITY	NO OF OUTLETS ¹	PHONE NUMBER
South Carolina	Catan Mobility, LLC Michael Catan	Charleston	2	239-269-3560

Mutual Termination

STATE	FRANCHISEE	CITY	NO OF OUTLETS ¹	PHONE NUMBER
Minnesota	Hathaway Mobility Solutions, Inc	Plymouth	5	612-396-2283

Note 1 The term "Outlets" as used in the franchisee lists in this Exhibit H is consistent with the term "Outlets" used in the Item 20 charts and is the equivalent of the term "APR" or Area of Primary Responsibility as defined in the franchise agreement

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

EXHIBIT I
COMPLIANCE QUESTIONNAIRE

COMPLIANCE QUESTIONNAIRE

TO BE COMPLETED THE SAME DAY YOU SIGN THE FRANCHISE AGREEMENT

You are preparing to enter into a 101 MOBILITY® Franchise Agreement (the “Agreement”) with us, 101 Mobility Franchise Systems, LLC. The purposes of this Questionnaire are to confirm that you understand the terms of the contract and the limitations on claims you may make by reason of the purchase and operation of your franchise, and to determine whether any statements or promises were made to you that we have not authorized or that might be untrue, inaccurate or misleading. **You must sign and date this Questionnaire the same day you sign the Franchise Agreement and pay your franchise fee. Please closely review each of the following questions and statements carefully and provide honest and complete responses to each.**

- 1 Have you received and personally read the 101 MOBILITY Franchise Disclosure Document (“FDD”)?
Yes _____ No _____
- 2 Did you give us a signed receipt for the copy of the FDD that we furnished to you?
Yes _____ No _____ If yes, on what date? _____
- 3 Do you understand all of the information contained in the FDD?
Yes _____ No _____
If not, what parts of the FDD do you not understand? (If you need additional space, please use the “Additional Information Intake Form” included after the signature blocks below)
- 4 Have you received and personally read the 101 Mobility Franchise Agreement?
Yes _____ No _____
- 5 Do you understand all of the terms of the Agreement?
Yes _____ No _____
If not, what parts of the Agreement do you not understand? (If you need additional space, please use the “Additional Information Intake Form” included after the signature blocks below)
- 6 Have any of our representatives recommended that you have the FDD and agreements reviewed by an attorney?
Yes _____ No _____
- 7 A) Have you, in fact, discussed the FDD, the agreements, and the benefits and risks of operating a 101 Mobility franchise with an attorney?
Yes _____ No _____ If yes, name of attorney _____

If No, do you wish to have more time to do so?

Yes _____ No _____

- B) Have you discussed the benefits and risks of operating a 101 MOBILITY Franchised Business with any other professional advisor?

Yes _____ No _____ If yes, name and profession of advisor

- C) Did you discuss the benefits and risks of operating a 101 MOBILITY Franchised Business with an existing 101 MOBILITY franchisee?

Yes _____ No _____

- 8 Other than the information presented in Item 19 of the FDD, have any of our employees or has any other person speaking on our behalf (this does not include franchisees whom you contact on your own) made any statement or representation (oral, written, or visual) regarding

- A) The amount of money that others have made or that you might make as a 101 MOBILITY franchisee?

Yes _____ No _____

- B) The revenue or profits that a 101 MOBILITY Franchised Business will generate?

Yes _____ No _____

- C) Any other financial performance information about 101 MOBILITY businesses?

Yes _____ No _____

- 9 If your answer to any part of Question 8 is "Yes," please describe the statement or representation. Please include when, where, and by whom the statement or representation was made. Please provide full details in the following space. (If you need additional space, please use the "Additional Information Intake Form" included after the signature blocks below)

- 10 Have you contacted any existing 101 MOBILITY franchisees about their financial performance?

Yes _____ No _____

- 11 If your answer to Question 10 is "Yes," please describe the information that they shared with you in the following space. (You do not need to identify the franchisees with whom you spoke.)

- 12 Please think about the statements or promises made to you by our employees (or by any other person purporting to speak on our behalf) concerning the advertising, marketing, training, support, or assistance that we will furnish to you. Were any such statements or promises contrary to, or different from, the information contained in the FDD?

Yes _____ No _____

- 13 If you answered "Yes" to Question 12, please provide full details in the following space (If you need additional space, please use the "Additional Information Intake Form" included after the signature blocks below)
- 14 In entering into the Franchise Agreement, are you relying on any statement, promise, or assurances by us or anyone speaking or purporting to speak on our behalf, other than the terms of the Agreement itself (including any Amendment, if applicable)?
- Yes _____ No _____
- If "Yes", please provide full details in the following space (If you need additional space, please use the "Additional Information Intake Form" included after the signature blocks below)
- 15 Would you agree that the success or failure of your 101 Mobility franchise will depend in large part on your own skills and abilities and efforts, and those of the people you employ, as well as many factors beyond your control such as competition, the economy, inflation, labor and equipment costs, the marketplace, and other business factors?
- Yes _____ No _____
- 16 Do you understand the Franchise Agreement provides you can only collect compensatory damages on any claim under or relating to the Franchise Agreement, and not any punitive, exemplary or multiple damages?
- Yes _____ No _____
- 17 Do you understand that, unless otherwise explicitly stated in written agreements you execute with us, we do not have to sell you a franchise or additional franchises (or Areas of Primary Responsibility), or consent to your purchase of existing franchises?
- Yes _____ No _____
- 18 Do you understand that the Franchise Agreement contains the entire agreement between us and you concerning the franchise for the 101 MOBILITY Franchised Business, meaning any prior oral or written statements not set out in the Franchise Agreement will not be binding?
- Yes _____ No _____
- 19 Do you understand that once you sign the Franchise Agreement and pay the Initial Franchise Fee, your Initial Franchise Fee payment is nonrefundable under any circumstance?
- Yes _____ No _____
- 20 Do you understand that, under the terms of the Franchise Agreement, you are fully responsible and liable for complying with all government license and permit requirements, as well as with all laws and regulations applicable to the establishment and operation of your 101 MOBILITY Franchised Business?
- Yes _____ No _____

- 21 Has any employee or any other person speaking on our behalf promised or assured you that you will derive any revenue at all from Veteran Administration hospital-related sales?

Yes _____ No _____

If 'Yes', please provide full details in the following space, including who made such assurances and what was stated, promised, or assured (If you need additional space, please use the "Additional Information Intake Form" included after the signature blocks below)

- 22 Do you understand that you are fully responsible for developing your own customer base and for the potential sales and revenues of your own 101 MOBILITY Franchised Business and that we have no obligation to refer customers or business to your 101 MOBILITY Franchised Business, including Veteran Administration hospital-related sales, or sale leads we receive via the Internet, phone, or any other channel of communication?

Yes _____ No _____

- 23 Do you understand that, while you are in no way assured of any Veterans Administration hospital-related dealer contracts and/or open market sales, numerous variables affect our and your ability to obtain and retain such sales, including, for example, our status with the government, and that any change in status, regulations, policies or other variables, whether known or unknown by us, could therefore have a significant impact on your 101 MOBILITY Franchised Business?

Yes _____ No _____

- 24 Do you understand the risks of operating a 101 MOBILITY Franchised Business?

Yes _____ No _____

You understand that we are acting in reliance on the truthfulness and completeness of your responses to the questions above in entering into the Agreements with Franchisee. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions. YOU ACKNOWLEDGE AND AGREE THAT IN THE EVENT THAT ANY DISPUTE ARISES, THIS QUESTIONNAIRE WILL BE ADMISSIBLE AS EVIDENCE IN ANY LEGAL ACTION, AND YOU HEREBY WAIVE, TO THE FULLEST EXTENT PERMISSIBLE UNDER THE LAW, ANY OBJECTION TO SUCH ADMISSION OF THIS QUESTIONNAIRE.

NOTE IF THE FRANCHISEE IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS OWNERS MUST EXECUTE THIS ACKNOWLEDGEMENT

[Signature Page Follows]

**THIS COMPLIANCE QUESTIONNAIRE MAY BE COMPLETED AND SIGNED WITH FULL
FORCE AND EFFECT USING ELECTRONIC FIELD INPUTS AND SIGNATURES**

FRANCHISEE

OWNER/GUARANTOR

a/an _____

By _____

Name _____

Title _____

Date _____

Date _____

**ADDITIONAL INFORMATION INTAKE FORM
TO COMPLIANCE QUESTIONNAIRE**

Please use this form to provide all additional information for which you did not have sufficient space above in the body of the Compliance Questionnaire. This form is part of the Compliance Questionnaire and, together with the above form, you represent and agree that all of the information included is your honest and complete responses to each question.

1 Additional Information for Question No _____

2 Additional Information for Question No _____

3 Additional Information for Question No _____

4 Additional Information for Question No _____

5 Additional Information for Question No _____

6 Additional Information for Question No _____

EXHIBIT J
RECEIPTS

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 101 Mobility Franchise Systems, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make payment to, us or one of our affiliates in connection with the proposed franchise sale or grant.

New York and Rhode Island require that we provide you with this Disclosure Document at the earlier of the first personal meeting or ten business days before you sign a binding agreement with, or make payment to, us or one of our affiliates in connection with the proposed sale or grant. Michigan requires that we provide you with this Disclosure Document ten business days before you sign a binding agreement with, or make payment to, us or one of our affiliates in connection with the proposed sale or grant.

If 101 Mobility Franchise Systems, LLC, does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D C 20580 and the state agency listed on Exhibit G. Our registered agents authorized to receive service of process are set forth on Exhibit G.

The franchise seller for this offering is

Name	Principal Business Address	Telephone Number
David Pazgan	5221 Oleander Drive, Wilmington, NC 28403	(910) 350-2755

Issuance Date March 6, 2019

I acknowledge receiving this Franchise Disclosure Document dated _____, 2019, including the following Exhibits:

- Exhibit A – Franchise Agreement and Attachments
- Exhibit B – State Specific Appendix
- Exhibit C – General Release (Sample Form)
- Exhibit D – Nondisclosure and Noncompete Agreement
- Exhibit E – Financial Statements
- Exhibit F – Manual Table of Contents
- Exhibit G – List of State Administrators and List of Agents for Service of Process
- Exhibit H – List of Current Franchisees and List of Former Franchisees
- Exhibit I – Compliance Questionnaire
- Exhibit J – Receipt

Dated _____

Dated _____

Printed Name _____

Printed name _____

Signed individually and as an officer of
_____(a Corporation)
_____(a Partnership)
_____(a Limited Liability Company)

Signed, individually and as an officer of
_____(a Corporation)
_____(a Partnership)
_____(a Limited Liability Company)

[KEEP THIS PAGE FOR YOUR RECORDS]

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Dated _____

Dated _____

Printed Name _____

Printed name _____

Signed individually and as an officer of
_____(a Corporation)
_____(a Partnership)
_____(a Limited Liability Company)

Signed, individually and as an officer of
_____(a Corporation)
_____(a Partnership)
_____(a Limited Liability Company)

[Please return this completed form to 101 Mobility Franchise Systems, LLC by Facsimile 910-350-8032, E-mail franchise@101mobility.com, or Regular Mail 5221 Oleander Drive, Wilmington, North Carolina 28403]