FRANCHISE DISCLOSURE DOCUMENT

Liftology Franchise Corporation
A Utah Corporation
244 W 300 N.
Suite 100
Salt Lake City, Utah 84103
330.760.2990
info@liftology.com
www.liftology.com

We grant the right to operate a LIFTOLOGY franchise, which offers mobility equipment and related home and commercial accessibility solutions for individuals with disabilities and limited mobility.

The total investment necessary to begin operations of a LIFTOLOGY franchise is $187,800 to $427,750. This includes $71,000 to $191,000 to the franchisor or its affiliate(s)

This Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read the 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 payments to the Franchisor or an affiliate in connection with the proposed franchise sale or grant. **Note, however, that no government 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 David Pazgan at dave@liftology.com or by phone at 330.760.2990.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. Information about comparisons of franchisors is available. 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, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency listed on **Exhibit 4** or visit your public library for other sources of information on franchising.

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

ISSUANCE DATE: April 30, 2026

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising

Generally

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

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

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

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

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

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

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

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit 6.

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Utah. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Utah than in your own state.

2. **Sales Performance Required**. You must maintain minimum sales performance levels. If you fail to do so, you could lose any territorial rights you are granted and/or the franchisor could terminate your agreement resulting in the loss of your investment, or both.

3. **Supplier Control**. You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

4. **Short Operating History**. The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a system with a longer operating history.

5. **Financial Condition**. The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.

6. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the Franchise Agreement, even if your spouse has no ownership interest in the franchise. This Guarantee will place both your and your spouse's marital and personal assets (perhaps including your house) at risk if your franchise fails.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

LIFTOLOGY FRANCHISE CORPORATION

FRANCHISE DISCLOSURE DOCUMENT

TABLE OF CONTENTS

EXHIBITS

ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language used in this Disclosure Document, "**we**" or "**us**" means Liftology Franchise Corporation, the franchisor, and "**you**" or "**franchisee**" means the person who purchases a franchise from us. If you are a corporation, partnership, limited liability company or other entity, "**you**" may also refer to your owners.

The Franchisor

We are a Utah corporation formed on June 17th, 2025. Our principal place of business is 244 W 300 N, Suite 100, Salt Lake City, Utah 84103. We do business under the name "LIFTOLOGY." We have no parent, affiliate or predecessor. Our agents for service of process are listed in **Exhibit 5**.

Our Business Experience; Our Parents, Predecessors and Affiliates

We began offering franchises in September 2025 under the name "LIFTOLOGY." We do not offer, and have not offered, franchises in any other line of business. We are not currently engaged in any other business and have not operated a business of the type being franchised.

Our affiliate, Franchise Scale Store LLC, has a principal place of business at 680 S. Cache Street, Suite 100-8790, Jackson, WY 83001. This affiliate is an approved supplier of franchisee marketing materials. This affiliate has never offered franchises in any line of business.

We do not have any predecessors nor any parent nor any other affiliates required to be disclosed in this Item.

Franchise Offered

We franchise the right to operate a business that offers mobility equipment and related home and commercial accessibility solutions for individuals with disabilities and limited mobility. This includes the evaluation, sale, installation, and service of mobility and accessibility equipment, including, without limitation, stairlifts, ramps, patient lifts, vehicle lifts, vertical platform lifts, pool lifts, grab bars and residential elevators, as well as related accessibility-focused home modifications, and such other products and services as we may designate from time to time (the "**Franchised Business**") using (i) certain trademarks, trade names, service marks, designs, emblems, logos, graphics, slogans, copyrights, trade dress, trade secrets, domain names, social media identifiers, and other commercial symbols including the mark "LIFTOLOGY" (the "**Marks**") and (ii) our proprietary system for operating the Franchised Business, including specifications, required equipment, defined service and product offerings, standard operating, administrative, management, and technical procedures and training programs, all of which we may revise, improve, modify, discontinue, or otherwise change from time to time (the "**System**"). We offer and award to qualified applicants, a franchise to own and operate the Franchised Business. Franchisees may be individuals or entities that meet our then current requirements for non-individual franchisees. These requirements may include the signing of personal guarantees by some or all of the individuals holding an equity interest in the Franchise

We will provide you with training, techniques, know-how, information, specifications, and recommendations, and access to materials and supplies, and business assistance, to support the operation of the Franchised Business. Related services may include, but are not limited to, home remodeling and mobility training and assessments/evaluations. We may also offer additional products and services to you and other franchisees from time to time.

To acquire a franchise, you will sign a Franchise Agreement (**Exhibit 2**) under which we will grant you the right and obligation to sell certain approved products and services under our Marks ("**Products and Services**") within a specified geographic Licensed Service Area (the "**LSA**").

Competition

The products and services associated with the Franchised Business are used by a variety of customers, including hospitals and rehabilitation facilities, VA hospitals, private residential homeowners, commercial facilities and more. The market for the services is national in scope. We believe the industry and demand for these services are favorable and may continue to grow over time. Your competitors will include local and national companies that provide similar services. As with any business enterprise, there is no assurance of your success.

Special Industry Regulation

Federal, state, and local laws and licensing requirements may apply to the sale, installation, and service of mobility and accessibility equipment and related services offered by the Franchised Business. These requirements vary by state and municipality and may include contractor licensing or specialized licenses or registrations for the installation of certain products, such as elevators, stairlifts, or similar equipment. You are responsible for determining and complying with all applicable laws and regulations in the jurisdiction(s) where you operate, including contacting the appropriate state or local licensing authorities as needed.

In addition, you must comply with all laws of general applicability, including those relating to employment, discrimination, accessibility (including the Americans with Disabilities Act), and other business operations. You should independently investigate all regulatory requirements and the costs of compliance in your proposed location.

ITEM 2

BUSINESS EXPERIENCE

Chief Executive Officer and Director: David Pazgan. David Pazgan has been our CEO and a Director since our inception in June 2025based in Isabela, Puerto Rico. Previously, David served as the (i) CEO of Kidokinetics Franchise LLC in Davie, Florida from May 2020 until January of 2025; and (ii) President of 101 Mobility Franchise Systems LLC in Wilmington, North Carolina from 2008 until January 2020. David also owns Cerulean Strategic Group, a consulting business, and DJE Management Consulting, Inc., based in Isabela, Puerto Rico and has served as Cerulean Strategic Group's CEO and President from January 2020 to present and owns DJE Management Consulting, Inc.'s CEO and President since February 2011

CFO & Director of Business Development: Gordon Raney. Gordon Raney has been our CFO & Director of Business Development since our inception in June 2025. Gordon also served as the President and Owner of Summit Vending, LLC in Park City, Utah from October 2023 to August 2025. He has also been the President and Owner of Lake Life Corporation in Park City, Utah since November 2020. Together, Gordon and Jennifer Raney owned and operated four franchise locations within the 101 Mobility franchise system in North Texas, Oklahoma, and Arkansas from February 2012 to February 2020.

COO and Director of Franchisee Support: Jennifer Raney. Jennifer Raney has been our COO and Director of Franchisee Support since our inception in June 2025. Jennifer also served as the Secretary and Owner of Summit Vending, LLC in Park City, Utah from October 2023 August 2025. She has also been the President and Owner of Lake Life Corporation in Park City, Utah since November 2020. Together, Gordon and Jennifer Raney owned and operated four franchise locations within the 101 Mobility franchise system in North Texas, Oklahoma, and Arkansas from February 2012 to February 2020.

Director: Boris Katsnelson. Boris Katsnelson has been a Director since our inception in June 2025. Boris also currently serves as the Managing Director of Black Iron Advisers in Denver, Colorado and has been since December 2016.

ITEM 3

LITIGATION

Concluded Actions.

Next Day Access, LLC v. Gardner et. al., No. 250907184 (Sept. 2, 2025): On September 2, 2025, Next Day Access, LLC and Best Life Brands, LLC ("Plaintiffs"), a competitor of ours, filed a lawsuit in The Third Judicial District Court, Salt Lake County, Utah asserting claims against us and an employee of ours for misappropriation of trade secrets, civil theft and conversion, tortious interference, and related claims. Plaintiffs' claims arise from allegations that a former employee of Plaintiff Next Day Access, LLC ("NDA") took confidential, proprietary, and trade secret information belonging to NDA upon his departure and provided those materials to us. The Plaintiffs sought compensatory damages, punitive damages, attorneys' fees, and injunctive relief, including damages against their former employee of a minimum of $300,000. For certain claims, the Plaintiffs sought treble damages. We denied any wrongdoing and vigorously defended ourselves. Without any admission of liability, on March 17, 2026, we entered into a Confidential Settlement Agreement and Release with the other parties that included the following terms: (i) the parties agreed to dismiss the lawsuit and agreed to mutual releasees, (ii) we agreed to not use any NDA confidential information and related materials regarding their franchise development process and agreed to return or destroy such confidential information, (iii) the Plaintiffs acknowledged that we may independently develop our own franchise development processes and related materials, and (iv) we agreed to pay NDA $50,000.

ITEM 4

BANKRUPTCY

There is no bankruptcy information required to be disclosed in this Item.

ITEM 5

INITIAL FEES

You must pay to us an Initial Franchise Fee of $30,000. You also must pay to us an Initial Territory Fee of $0.06 per person of population in your LSA that typically ranges from $30,000 for a population of 500,000 to $150,000 for a population of 2,500,000 for the LSA when you sign the Franchise Agreement. An LSA with the minimum population of 500,000 will be permitted solely in select rural markets with lower population density. LSA population targets for densely populated metro market areas will range from 1,000,000 to 2,500,000.

The Initial Franchise Fee and Initial Territory Fee are due when you sign your Franchise Agreement and are nonrefundable upon payment. We may grant you the right to purchase additional zip codes, at our discretion, that are contiguous to your existing LSA for the fee of $0.06 multiplied by the population of the additional zip codes according to the latest Census. We offer a 5% discount on the Initial Franchise Fee to veterans who qualify for our veterans' discount program. If the franchisee is a limited liability corporation, or other legal entity, the qualifying participant must maintain at least 51% ownership interest in the entity to qualify for the discount. The qualifying participant must also provide us with a copy of form DD-214, reflecting your military status before the Franchise Agreement is signed.

You must pay us the following fees upon execution of the Franchise Agreement (which are nonrefundable):

1. $5,000 Initial Marketing Fee to cover the costs of setting up your location website and other related set up services; and

2. $1,500 Initial Software License Fee to cover the costs of our suite of operating software programs.

You must pay to us a $4,500 Initial Training Fee to attend and complete our initial training program at our headquarters or other location(s) we designate. The Initial Training Fee is due when you sign the Franchise Agreement and is nonrefundable, except as noted below. If you are obtaining the Franchised Business from an existing Franchisee, you do not pay the Initial Franchisee Fee, but you are responsible to pay the Initial Training Fee to cover the cost of the Initial Training Program.

If we determine within 15 days of the completion of the initial training program that you have not exhibited the aptitude, abilities or personal characteristics to successfully operate the Franchised Business, we may terminate your Franchise Agreement and refund to you the Initial Franchise Fee and Initial Territory Fee you paid less expenses we have incurred to date, including any broker fees paid to third parties.

ITEM 6

OTHER FEES

NAME OF FEE[1]	AMOUNT	DUE DATE[2]	REMARKS
Royalty Fee	7% of Gross Revenue.	Royalties are due weekly based on the Gross Revenue for the preceding Reporting Period.[3] Payment must be made by electronic funds transfer in a manner we designate.	"Gross Revenue" means all revenue, receipts, and amounts generated from the sale of any products, services, or merchandise associated with the Franchised Business or otherwise pursuant to this Agreement, whether under the Marks or otherwise, and regardless of where or how such products or services are provided, together with all other income of any kind derived from or connected to the Franchised Business, including proceeds from business interruption insurance, whether paid in cash, on credit, or otherwise (including amounts not yet collected). Gross Revenue does not include sales or use taxes or similar taxes collected from customers and remitted to the appropriate taxing authority, rebates or

NAME OF FEE[1]	AMOUNT	DUE DATE[2]	REMARKS
			promotional allowances received in connection with the purchase of equipment or supplies, or bona fide customer refunds and adjustments. If your Franchise Agreement expires but you continue operating the Franchised Business, we may allow you to continue on a month-to-month basis, at our discretion. In that case, you will pay a Royalty Fee of 10% of Gross Revenue for each month you operate without executing the successor agreement.
Marketing Fund Contribution	Up to 2% of Gross Revenue. (Currently, 1% of Gross Revenue)	Same as Royalty Fee.	Gross Revenue definition is the same as for the Royalty Fee calculation.
Local Marketing Expenditure	At least 2% of Gross Revenue	Spent monthly by you as we may direct in the Operations Manual or otherwise in writing. Expenditure report due within 15 days of each quarter	You must spend the required Local Advertising Expenditure on continuing local marketing and advertising to promote the Franchised Business, in the form, content, media, and frequency specified in the Operations Manual or otherwise in writing and as approved by us. Such expenditures may include amounts paid to advertisers, agencies, digital platforms, lead generation providers, or other marketing vendors. We may require you to use designated or approved vendors for certain marketing activities. We may require that you spend minimum amounts within specified time periods and may require you to allocate such expenditures among particular media, programs, or campaigns. Amounts contributed to or spent through a Liftology advertising cooperative will count toward your Local Advertising Expenditure requirement. Any amounts not spent in accordance with this requirement will not carry over and must be spent as we direct.
Technology Fee	Up to $500/month. (currently, $250 per month, per LSA)	Monthly by electronic funds transfer in a manner we designate.	Payable by you monthly for technology usage, which may include, but is not limited to the reasonable costs and fees required for the usage of operating systems or other business systems, up to 4 email addresses for your business, and other communication tools as required by us. We anticipate this fee will not increase by more than 30% per year (and will not exceed $500 per month).
Third Party Call Answering, Lead, and Scheduling Service Provider	Not presently required. If implemented, you will pay the then- current rates to us or a designated call center vendor approved or	Same as Royalty Fee.	We will give you 30 days' notice before implementing. Although not presently required, in the future, we may require you to retain us or a designated vendor to deliver call

NAME OF FEE[1]	AMOUNT	DUE DATE[2]	REMARKS
	required by us. This amount may change, as determined by the vendor or by us, if we elect to deliver the services.		center services which will be done at then-current rates. In either event, you agree to use approved telephone answering services or outbound appointment setting services and pay approved vendors pursuant to those negotiated terms, as such terms may be established and communicated to you and as they are set by us or the approved vendor(s). We may adjust the payment by up to 25% per year, as costs for running the call center increase.
Customer Relationship Management (CRM) Fee	Currently, 375/month + data storage & fax as used, at the then-current rate.	Paid monthly by you to the CRM provider we designate.	This amount is payable directly to the CRM provider we designate or to us, if we notify you as such. Pricing varies based on the approved supplier's then-current pricing and we reserve the right to increase the fee based on third-party supplier costs, however, in no event will this fee exceed $1,000 per month as the base fee for five users. This includes 5 users. Each additional user will be an additional $75/month.
Late Payment Fee	$150 for each overdue payment plus $25 for each day that a payment remains unpaid after the due date plus 1½% interest per month or the maximum interest rate permitted by law, whichever is greater.	Any late fee will be assessed on amounts not paid when due, will accrue for as long as such amounts remain unpaid, and is due upon demand.	If there are insufficient funds at the time payment is due, there is an additional $50 delinquent fee owed to Franchisor.
Interest	18% per year (or maximum legal rate) on any outstanding amount owed	Interest will accrue on all amounts not paid when due from the due date until paid in full. All accrued interest is payable upon 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, calculated daily.
Transfer Fee	25% of the then-existing Initial Franchise Fee (at the time of the transfer)	The transfer fee is due and payable in full prior to the closing of any approved Transfer.	Payable by you or the transferee if and when you sell or transfer your franchise. No fee is due if you transfer your franchise to a new corporation controlled by you.[5]
Additional Training Fee [4]	$500	Any additional training fee must be paid in full prior to the commencement of such training.	The cost of the Initial Training Program for 2 attendees is included with the Initial Training Fee. Additional attendees are $500 per person. If additional training is requested by you or required by us during the Term, an additional fee will be required.

NAME OF FEE[1]	AMOUNT	DUE DATE[2]	REMARKS
			You pay for all travel, lodging and meal expenses associated with additional training.
Additional Assistance	Travel, lodging, and dining expenses of our representatives plus a Consulting Fee of $300/day per trainer.	Within 7 days of services rendered and payment requested.	At our discretion, if we provide requested or required consulting services in-person at your Franchised Business location or elsewhere.
Accounting Software Fees	Varies (currently ~$75/month)	Monthly	This fee is payable to vendor. We may require you to use a designated vendor, minimum subscription service level, and/or a designated chart of accounts. Pricing varies based on the approved supplier's then-current pricing but we do not anticipate price increases by more than 30% on a year-over-year basis.
Modernization Fee	Not to exceed $25,000 in any ten (10) year period	Franchisee must complete and pay for all required modernization, renovation, or upgrade requirements at its own expense within the time period we specify.	We may require you to update, remodel, or refurbish your Franchised Business to meet our then-current standards and specifications. You must complete any such modernization at your sole expense and within the time period we specify. We may also require modernization prior to any sale, transfer, or assignment of the Franchised Business or as a condition of entering into a successor agreement.
Audit	Cost of Audit	When billed.	Payable only if audit performed due to your failure to report, if audit shows an underreporting of 2% of Gross Revenue or more, or if audit shows your failure to follow territory boundary restrictions on conducting inspections.
Successor Agreement Fee	$7,500	Upon execution of Successor Franchise Agreement.	Payable only if you meet eligibility for signing the Successor Franchise Agreement and execute the Successor Franchise Agreement.
Conference Fee	Our then-current conference fee as well as your associated attendee expenses. (currently, $800 per conference for one attendee)	Conference fee(s) must be paid in full prior to the commencement of the conference.	You must attend the conferences and meetings we require. This fee will cover the registration cost of one attendee for the annual conference. Additional attendees can register and pay any required registration fees at the time of registration at then current rates. At our discretion, we may also require you to occasionally attend a regional conference and pay the then current rate to attend. Travel, lodging, meals, and other related expenses are not included and must be paid by you directly to third parties. This fee will not increase by more than 25% per year.

NAME OF FEE[1]	AMOUNT	DUE DATE[2]	REMARKS
Reimbursement of expenses paid by us on your behalf	Varies with circumstances.	When billed.	Payable upon demand if we pay any insurance premiums or other amounts you are required to pay but fail to pay, which we pay on your behalf.
Liquidated Damages	Thirty percent (30%) of your average annual Gross Revenue during the preceding two (2) years (or for such shorter period if you have not been under a Franchise Agreement for a full two (2) year period).	Upon demand following the occurrence of the applicable triggering event and is intended to be a reasonable estimate of our damages and not a penalty.	Payable if you stop operating or prematurely close the Franchised Business, if we terminate the Franchise Agreement due to your material breach, or if you improperly disclose proprietary information or breach or otherwise not abide by the covenants not to compete in the Franchise Agreement.
Fine for Violation of Territory Restrictions	$1,000 per occurrence	Upon demand	Payable upon demand if you violate the territory restrictions in this Agreement, including performing services or conducting business within another franchisee's LSA. Each such violation constitutes a separate event, and payment of this amount does not limit our right to seek additional remedies.
Customer Refund	Actual amounts of refunds paid to customers	Upon demand.	Payable upon demand if a customer within your LSA contacts us due to your failure to resolve a complaint and we determine, in our discretion, that a refund or adjustment is appropriate and pay such amount to the customer.
Reimbursement of inspection fees & remedial expenses	Varies depending on circumstances but includes our actual expenses incurred	Upon demand	Payable if inspection is necessitated by a repeated or continuing failure to comply with any provision of the Franchise Agreement. Amounts due may include reimbursement for fees we pay to investigator or secret shopper and/or our reasonable expenses incurred in inspecting your Franchised Business, including travel, lodging, and meals, and compensation for our representatives (if applicable). 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 or terminate the Franchise Agreement.
Fines for failure to comply with System Standards	Currently $250 per week of ongoing noncompliance.	Upon demand	Payable if you fail to comply with the System Standards as set forth in the Operations Manual or otherwise in writing.
Costs and Attorneys' Fees	Reimbursement of our actual costs	Upon demand	You must reimburse us for our expenses, and pay for our attorney's fees, associated with enforcing any agreements between us, including any Franchise Agreement. If your Franchise Agreement expires or is terminated, you must also reimburse us for

NAME OF FEE[1]	AMOUNT	DUE DATE[2]	REMARKS
			our expenses associated with de-identifying your Franchised Businesses and other costs and expenses incurred if you fail to comply with your post- termination obligations.

Notes:

(1) You pay all fees to us unless otherwise noted. All fees are nonrefundable and, except as expressly stated, all fees are uniformly imposed.

(2) All fees are imposed by and payable to us by electronic funds transfer or other automatic payment mechanism we designate ("**EFT**"). We may charge all past due fees including the Royalty Fee, Marketing Contribution, Conference/Regional Meeting fees, amounts due for purchase and insurance requirements, to a credit card previously authorized by you.

(3) Reporting Period means the weekly calendar period from Sunday of the previous week through Saturday. (unless we designate otherwise). Payments and reports will be pulled and due on the Monday following the prior Reporting Period and will be paid by EFT or ACH withdrawal.

(4) If you obtain the Franchised Business from an existing franchisee, you or the original franchise owner must pay a transfer fee. If you later sell the Franchised Business, a separate transfer fee may apply. The transfer fee relieves you of the obligation to pay the Initial Franchise Fee, but you must still pay the Initial Training Fee (currently $4,500) related to the Initial Training Program provided for up to two attendees. After the first two persons, each additional attendee who attends the Initial Training Program at any time during the Term will cost $500.00 per person on the following conditions: i) you are in good standing under the Franchise Agreement by being current in the payment of all fees and is otherwise fully compliant with your contractual obligations; and ii) we approve of the training candidate. We may provide, at our option, additional training programs for you and your employees at locations designated by Franchisor and/or on-line, for an additional fee. Under certain circumstances, including but not limited to, new Products and Service offerings being added to the System or your unsatisfactory performance of its obligations, we may require you or your employees to attend additional training courses from time to time and to pay us an Additional Training Fee.

ITEM 7

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee[1]	$30,000	Lump Sum	When you sign the Franchise Agreement	Us
Training Fee	$4,500	Lump Sum	When you sign the Franchise Agreement	Us

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Territory Fee	$30,000 - $150,000	Lump Sum	When you sign the Franchise Agreement	Us
Training Expenses(2)	$4,500 - $9,500	As Incurred	As Incurred	Transportation, lodging, meals, and all other associated expenses.
Marketing Materials and Supplies and Initial Marketing (3)	$7,500 - $15,000	As Arranged	Before opening when you receive supplies or services	Vendors or Us
Initial Marketing Fee	$5,000	Lump Sum	When you sign the Franchise Agreement	Us
Initial Software setup & licensing fee	$1,500	Lump Sum	When you sign the Franchise Agreement	Us
Office Equipment, Furniture, Supplies, Office Computer and Tablet (4)	$5,000 - 8,000	As Incurred	Before Opening	Vendors
Software and Technology(4)	$800 - $1,750	As Incurred	Before Opening	Vendors
Vehicles Down Payment and Wrap(5)	$10,000 – 16,000	As Incurred	Before Opening	Vendors
Licenses and Permits (6)	$500 to $1,500	As Incurred	Before Opening	Licensing Authorities
Office/Warehouse Rent, Lease, Security and Utility Deposits (7)	$5,000 - $20,000	As Incurred	Before Opening	Lessor and utility suppliers
Showroom equipment & related expenses	$12,000 - $16,000	As Incurred	Before Opening	Approved Vendors
Leasehold Improvement	$0 - $8,000	As Incurred	Before Opening	Vendors
Office or Warehouse Signage	$0 - $1,500	As Incurred	Before Opening	Vendors
Tools, Equipment, Racking (8)	$5,000 - $9,500	As Incurred	Before Opening	Vendors
Initial Inventory(9)	$40,000 - $60,000	As Incurred	Before Opening	Approved Vendors
Insurance Costs(10)	$5,000- $15,000	Annual Premium, as incurred	Before Opening	Insurance Broker
Legal and Professional Services	$1,500 - $5,000	As Incurred	As Incurred	Your attorneys, accountants, and business advisors
Additional Funds – 3 months (11)	$20,000 - $50,000	As Incurred	As Incurred	Employees, vendors, suppliers, us, our affiliates, and other
Total	**$187,800 - $427,750**			

We are not able to represent whether or not amounts that you may pay to third parties are refundable.

NOTES:

(1) The Initial Franchise Fee must be paid when the Franchise Agreement is executed. The Initial Franchise Fee is fully earned by us when paid and is not refundable except if we determine that you did not satisfactorily complete the Initial Training Program. In this event, you will be refunded the Initial Franchise Fee and we may retain the entire Initial Training Fee.

(2) Your Managing Owner must attend our initial training program (Lift Off Academy) training at the location we designate, (currently at our headquarters in Salt Lake City, Utah). You must also attend supplier certification training as required by each of our preferred suppliers, as required to be a certified dealer and remain in good standing. This may be a combination of online virtual learning and in person training at their headquarters. Also, your primary installer/field technician must attend training at one of our approved suppliers (currently in Oconomowoc, WI) and additional supplier training/certification as required by each of our preferred suppliers to gain their required certification. You are responsible for the expenses you and any attendees will incur for travel and expenses while training, including without limitation airfare and/or other transportation, hotels, restaurants, and other associated expenses. The cost of this will depend on the number of persons who attend training and the distance you must travel to the training location. You must pay the travel expenses for you and for any additional trainees. (See Item 11.)

(3) Marketing Materials includes brochures, brochure stands, tradeshow display and tablecloth, stationery, business cards, corporate apparel/uniforms, digital projector, and Starter Marketing campaign that may include buying leads, Google PPC, SEO and Adwords spend and management as required by us.

(4) These estimates cover a mobile telephone, computer equipment, a tablet, a printer, a fax machine, and the CRM, accounting, and other communications and operations software that you must purchase and use in your Franchised Business. (See Item 8.) You will need to obtain and maintain an Internet account to access communications from us and to send and receive email.

(5) This estimate includes down payment, the first two monthly payments, and appropriate signage or vehicle wrap for your vehicle. (See Item 8 for vehicle requirements).

(6) The cost of licenses and permits required to open and operate the Franchised Business varies from state to state and by municipality. It is your responsibility to determine the costs applicable to your 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.

(7) This amount covers rent, security deposits, and utility deposits. You must currently possess or obtain adequate storage space for the inventory and equipment you must use in connection with the Franchised Business, along with suitable office and showroom space where clients can visit your Franchised Businesses. We recommend that you rent flex warehouse space of approximately 1,500 to 3,000 sq. ft. of mixed space. Your costs may vary considerably depending on the size, condition and location of the leased storage facility, local building and fire code requirements and requirements of the lease.

(8) Required tools and equipment include construction equipment and tools and racking. List shall be provided in the Manuals. Initial inventory includes three to four stairlift demos plus either one ramp or a motor and a patient lift system as specified by us. Initial inventory orders shall meet the

requirements of each supplier for the Franchisee to be eligible for supplier leads and to be listed on supplier online dealer locators, if applicable.

(9) This insurance estimate covers your cost of general liability, property insurance for your franchise location, workers' compensation, commercial automobile, cyber, and umbrella policy insurance premiums. You pay insurance premiums directly to third party insurers. You must deliver to us before opening a proper certificate evidencing the existence of the required insurance coverage. Insurance requirements shall be provided and are identified in the Operations Manual. If you fail to procure and/or maintain the required insurance, you authorize Franchisor to purchase this insurance on your behalf. In this event, you will be required to reimburse Franchisor for all premiums associated with this insurance. The requirements and costs of insurance may be variable based on the jurisdiction where the Franchised Business is located.

(10) This Additional Funds costs estimates your additional start-up expenses through opening and the first 3 months of operations. You should review these figures carefully with a business advisor before making any decision to purchase the right to become a franchisee. These expenses are additional funds you may need to expend during the initial phase of the Franchised Business. They do not account for any revenues during this period of time, nor do they include expenses for any of the other categories described above. Although these expenses represent our estimate of additional funds you will need for the first 3 months of operations that does not mean that you will not require additional funds during or beyond that period of time. At our discretion, we may require proof of funds prior to opening your Franchised Business.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To ensure a consistent brand image and uniform quality of products and services throughout the LIFTOLOGY system, you must comply with all brand, quality, and operational standards that we establish. You must use equipment and services, including, but not limited to, hardware and software for a computerized record-keeping system, as well as signage, fixtures, furnishings, products, services, supplies, and marketing and promotional materials that meet our specifications and standards.

Required and Approved Suppliers

If we establish standards for certain products, equipment, materials, or services, or designate suppliers, those requirements will be described in the Manuals. We will provide written specifications identifying suppliers that we have approved for those items. From time to time, and at our sole discretion, we may modify, remove, or add to these specifications, supplier designations, or quality standards. We reserve the right to designate a primary or single source of supply for certain products, services and supplies, and we or an affiliate may be that single source. We may designate by brand name the equipment and the products that you must use in your Franchised Business. We may change equipment, Products and Services and/or suppliers at any time. We issue specifications and standards to our franchisees for Suppliers through our Manuals. If the specifications are modified, they are issued to franchisees through the Manuals or by other written communication, including written documentation and directives distributed via e-mail. As of the date of this Disclosure Document, each of David, Gordon and Jennifer own a minority interest in Franchise Scale Store LLC, which is an approved supplier for franchisee marketing needs. As of the date of this Disclosure Document, you have to obtain the CRM system only through us by executing the software license agreement attached to the Franchise Agreement as Exhibit 7.

Supplies, services, products, and equipment must be purchased from suppliers designated or approved by us ("Approved Suppliers"). We do not provide material benefits to a franchisee based on a franchisee's use of Approved Suppliers. For example, you must purchase stationery, brochures, marketing, sales & promotional materials and uniforms from an Approved Supplier. We do not intend to make you or assist you to become an authorized dealer or distributor for any of the Approved Suppliers or manufacturers that we recommend or you utilize in your franchised business.

Franchise Location

You must maintain a business office/warehouse, a "Franchise Location" within your LSA that complies with our system standards and Manuals, or other written communications. Your franchise location must be approved by us (see Item 11) prior to opening your Liftology Franchised Business. Your franchise location should be a flex office/warehouse space of approximately 1,500 to 3,000 sq. ft. that is fully handicapped accessible and is 18-wheeler accessible. It should include office space, a showroom space suitable to meet the requirements laid out in our Manuals and other written communications, and include sufficient warehouse space to meet your Franchised Business' needs. We have the right to require that your lease include any provisions that we may reasonably require, which we may specify in the Manuals or otherwise in writing. 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 four years.

Installation Vehicle

You must own, purchase or lease an approved installation Vehicle. Your Vehicle must meet specifications that are in the Manuals, which may include make, model, color, age and mechanical condition. You must wrap or display signage on your Vehicle that meets the specifications in the Manuals regarding signs, graphics, logos and lettering. In addition, you will maintain the Vehicle at regular intervals in accordance with laws and regulations to reflect safety and insurance requirements. You will also refurbish the Vehicle at intervals as determined by us or to reflect any changes in the image, design, format or operation of the System and the Marks. If we determine that your Vehicle must be upgraded, supplemented, or discontinued, we will notify you in writing of any additional or replacement Vehicles that you are required to obtain. We may also require that any vehicle older than five years be replaced.

Equipment and Products

Certain equipment and products must be purchased according to our specifications and/or from the Approved Suppliers we designate including, but not limited to, stair lifts, vertical platform lifts, auto lifts, elevators, ramps, patient/ceiling lifts, grab bars, bathroom accessories. You must maintain and utilize a sufficient inventory of supplies and equipment necessary to meet operational and service requirements.

Technology Systems and Software

You must own or have access to a laptop or desktop computer system loaded with commercially available software. See Item 11 for further details. You must use the email, office management, accounting and customer relationship management (CRM) software or services that we designate as provided by an Approved Supplier. You must provide to us access as an authorized user to all software accounts utilized by you in the operation of the Franchised Business, including but not limited to, any accounting and customer relationship management software or service. We also reserve the right to require you to purchase or lease proprietary software from us or an Approved Supplier designated by us in the future.

Branding, Marketing, Digital Marketing and Social Media

You must purchase all Liftology branded materials from an approved supplier. This includes, without limitation, interior and exterior office signage, clothing, hats, vehicle wraps, advertising materials, printed promotional items, and any other materials displaying the Liftology marks.

You may not conduct any advertising without our prior written approval. You may only display the advertising and signage approved by us periodically, in the Manuals or as we may otherwise authorize in writing.

You must use a specific, designated Approved Supplier for social media, digital marketing management, and all other marketing efforts for your Franchised Business within your LSA. You will not have your own website or social media accounts; rather, we typically set up a webpage as part of our website and set up any other social media and digital marketing sites and accounts for you and require you to manage them through the designated Approved Supplier. We may require you to utilize a call center and/or lead generation services from us or a designated vendor of our choosing, at then-current rates. Suppliers may, in the future, pay us a rebate on all franchisee purchases based on a percentage of sales such suppliers make to our franchisees. All outbound calling, texting, and marketing communications must be approved by us before engaging in such activities and must always be in compliance with applicable law.

Insurance

Before you can open your Franchised Business, you must secure, and throughout the term of the Franchise Agreement maintain, at your expense, insurance policies to insure against loss, liability, or expense whatsoever arising or occurring upon or in connection with the operation of the Franchised Business for the types and coverages amount of insurance as identified and required in the Manuals. As of the date of this Disclosure Document, required insurance includes: (1) general liability with minimum limits of $1,000,000 per occurrence and an aggregate limit of $2,000,000; (2) Motor vehicle liability coverage on each owned, non-owned or hired vehicle that you will use, or meet minimum state requirements, whichever is greater; (3) workers' compensation insurance; (4) property insurance coverage for all equipment and tools owned and used by you in the operation of your franchise; (5) such insurance as may be required by the landlord of the facility's premises; (6) in connection with any other construction, renovation, refurbishment or remodeling of the facility, you must also maintain builder's risks/installation insurance in forms and amounts reasonably satisfactory to us; (7) cyber liability coverage with minimum $100,000 limit of liability (8) umbrella policy with minimum limits of $1,000,000 per occurrence and an aggregate limit of $2,000,000; and (9) any other insurance coverage or amounts as required by law. All insurance policies must be considered primary non-contributory coverage and expressly protect both you and us from liability and action.

All insurance policies shall be on forms, upon terms and with insurers reasonably satisfactory to us. We may increase the amounts of coverage or require different or additional coverage in the future due to inflation, the identification of new risks, changes in the law or standards of liability, higher damage awards or other relevant changes in circumstances. All insurance policies shall in all instances be considered primary non-contributory coverage and expressly protect both you and us from liability and action.

Your insurance policies must name us as a co-insured or additional insured under the policy. Prior to opening, you must furnish to us a certified copy of the certificate with respect to each such policy, which provides that such policy shall not be canceled or modified except upon 30 days prior written notice to us. If you fail to obtain or maintain in force any required insurance or to furnish the required certificates, we may, in addition to other remedies we may have, maintain or obtain insurance and/or certificates on your behalf, and you must promptly reimburse us for all premiums and other costs incurred.

If you engage any independent contractors to perform other services for customers of the Franchised Business, those independent contractors must have in force at the time of performing the services insurance of the types and amounts of coverage as set forth in the Manuals including worker's compensation insurance and bodily injury insurance for all services performed. The insurance policy must name you and us as additional insureds under the policy. You must obtain from each independent contractor a certified copy of the certificate of insurance evidencing the coverage prior to the date the independent contractor performs any services for the Franchised Business. Maintenance of any required insurance required shall not relieve you of your indemnification obligation under the franchise agreement. Insurance requirements are identified in the Manuals.

Approval of Alternative Products, Services, or Suppliers

With advance written notice, you may request our approval to add new products or services or suppliers that are not then part of the Franchised Business. We will require a complete assessment of the products, services, and supplier and any related data to allow us to determine whether the additional products, services, or suppliers will be allowed. The assessment of specifications and standards will relate to quality, durability, value, design, composition, strength, functionality/performance, and the needs of, and consistency with, the business model of the Franchised Business and the System, financial strength and business reputation of the supplier; its standards of quality, service, safety and health and adequate quality controls; ability to fill orders in a timely fashion based on quantity projections; ability to serve the needs of franchisees and deliver the product on a regional or national scale; and protection of our proprietary information. We will notify you in writing of the approval or disapproval of any new products, services, or suppliers you propose within 180 days of receiving your written request for approval.

We do not provide you with all our standards and specifications or the specific criteria used to evaluate suppliers. Our confidential requirements and systems information should not be revealed to any proposed supplier/vendor without our written approval. You may not contract with alternative suppliers who meet our criteria without our written approval.

We or our agents may inspect any approved vendor or supplier or proposed alternate supplier facilities to assure compliance with our specifications and standards. We do not currently charge any fees to secure approval to purchase from alternative suppliers. Permission for inspection will be a condition of our continued approval of any vendor or supplier. If we find from any inspection that a vendor or supplier fails to meet our specifications and standards, we will give written notice describing this failure to you and to the vendor or supplier, with a notice that unless the failure or deficiency is corrected within a reasonable period of no more than 30 days, we will revoke our approval and the vendor or supplier will no longer be approved.

We will notify you in writing if we revoke approval of any supplier. If we notify you that we revoked approval of any supplier or otherwise notify you that a supplier no longer meets our standards and specifications, you must immediately stop using that Supplier's products or services. Additional specifications for Approved Suppliers, equipment, Products and Services may be included in our Manuals or in written communications to you, which may include email, and may periodically change.

Negotiated Pricing

We may negotiate arrangements with a certain number of suppliers of promotional and marketing items or other Supplies that we believe are advantageous and beneficial to the business interest of the franchisees. However, we do not guarantee better pricing or any advantages or benefits. Where we have negotiated arrangements with suppliers, we may derive revenue as a result of required or voluntary purchases by franchisees. We currently do not receive rebates from suppliers based on franchisees' purchases, but we reserve the right to do so in the future.

Revenue from Franchisee Purchases and Supplier Rebates

Periodically, we may negotiate purchase arrangements with certain suppliers and service providers for our benefit and/or the benefit of franchisees. However, access to such suppliers and service providers is not guaranteed. Periodically, we may also receive consideration in the form of discounts, rebates, or marketing allowances on purchases that you make from these suppliers and service providers for services rendered, products purchased or rights licensed. Most of these payments are calculated on an amount based on items sold. We also may derive revenue from any items we or any affiliate sells directly to you by charging you more than our or the affiliate's cost. You will pay the then-current price in effect at the time for items you purchase from us or our affiliates. We may keep such consideration we receive from these suppliers or service providers, or we may fund costs associated with advertising and promotions, or we may distribute such allowances to you in such amounts and allocation methods as we deem appropriate and we have the right to offset any amounts owed to us against rebates owed to you. Eligibility to participate in such discretionary programs shall be conditioned upon your full compliance with the Franchise Agreement, System Standards, and all Manuals, as determined by us. We reserve the right to modify, suspend, or discontinue any such program at any time. We may designate a primary source or sources of supply for merchandise, goods, and services, and depending on geography that may be us or our affiliates. During the 2025 fiscal year, neither we nor any affiliate derived any revenue from supplies, products, and services and rebates from third-party suppliers. We do not have any purchasing or distribution cooperatives.

Costs to Establish and Operate the Franchised Business

We estimate that the required purchases described in this Item represent approximately 90% of your cost to establish the Franchised Business and approximately 60% to 90% of your cost to operate the Franchised Business on an ongoing basis.

ITEM 9

FRANCHISEE'S OBLIGATIONS

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

Franchise Agreement

OBLIGATION	SECTION IN FRANCHISE AGREEMENT	ITEM IN DISCLOSURE DOCUMENT
a. Site selection and acquisition/lease	Franchise Agreement, Section 2.1.1	Items 7 and 8
b. Pre-opening purchases	Franchise Agreement, Section 7.3	Items 7, 8 and 11
c. Site development and other pre-opening requirements	Franchise Agreement, Section 2.1.1, 7.3	Items 7, 11 and 16

OBLIGATION	SECTION IN FRANCHISE AGREEMENT	ITEM IN DISCLOSURE DOCUMENT
d. Initial and ongoing training	Franchise Agreement, Section 6.1	Item 11
e. Opening	Franchise Agreement, Section 2.2	Item 11
f. Fees	Franchise Agreement, Sections 3.2.2, 4, 7.3.9, 12.10, Data Sheet	Items 5 and 6
g. Compliance with system standards, policies, and Operations Manuals	Franchise Agreement, Sections 6.2, 7, 8, 8.3	Item 11
h. Trademarks and proprietary information	Franchise Agreement, Section 8	Items 13 and 14
i. Restrictions on products/services offered	Franchise Agreement, Sections 2.3.3, 7.3, 8.2, 8.3	Items 8 and 16
j. Warranty and customer service requirements	Franchise Agreement, Sections 7.3.8, 7.5.3	Item 16
k. Territorial Development and sales quotas	Franchise Agreement, Section 7.2, 7.3.1	Item 12 and 16
l. Ongoing product/service purchases	Franchise Agreement, Section 7.3.5	Items 8 and 16
m. Maintenance, appearance and remodeling requirements	Franchise Agreement, Section 7.3.5	Item 11
n. Insurance	Franchise Agreement, Section 7.4	Items 7 and 8
o. Advertising	Franchise Agreement, Section 2 2.1.2, 4.3, 7.2, 7.3.8	Items 6, 7 and 11
p. Indemnification	Franchise Agreement, Section 7.5	Item 6
q. Owner's participation/management/staffing	Franchise Agreement, Section 7.3	Item 15
r. Records and reports	Franchise Agreement, Section 5	Item 6
s. Inspections and audits	Franchise Agreement, Sections 5.2, 5.4, 5.5, 7.3.14	Item 6
t. Transfer	Franchise Agreement, Section 9	Items 6 and 17
u. Renewal	Franchise Agreement, Section 3.2	Items 6 and 17

OBLIGATION	SECTION IN FRANCHISE AGREEMENT	ITEM IN DISCLOSURE DOCUMENT
v. Post-termination obligations	Franchise Agreement, Sections 3.4, 11	Item 17
w. Non-competition covenants	Franchise Agreement, Section 11.8	Item 17
x. Dispute resolution	Franchise Agreement, Section 12	Item 17

ITEM 10

FINANCING

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

ITEM 11

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

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

Before you begin operating your Franchised Business, we will:

(1) Designate your LSA. (**Franchise Agreement, Section 2.1 and Schedule A**).

(2) Provide you or your owner (if you are an entity) with our Initial Training Program (Lift Off Academy). (**Franchise Agreement, Section 6.1**).

(3) Provide you with an electronic copy of the Manuals for operating the Franchised Business. The Manuals contain our operational procedures, policies, rules and regulations, and system standards with which you must comply. (**Franchise Agreement, Section 6.2**). Before reviewing our Manuals, you must sign a Confidentiality Agreement in the form similar to that attached to the Franchise Agreement as **Schedule F**. Additional Product Manuals provided by Suppliers will also be made available. Although our Manuals contain our system standards, you are solely responsible for ensuring any Franchised Business Location premises conforms to local ordinances and building codes and for obtaining any required permits. You are also solely responsible for any required constructing, remodeling, or decorating at the premises, and for hiring and training employees.

(4) Provide you with a list of Approved Suppliers and consult with you about the initial inventory order, showroom demo equipment, and other Supplies and Products which you must acquire as part of your initial inventory and advise you with respect to the operational needs of your Franchised Business. (**Franchise Agreement, Section 6.2**)

During the operation of your Franchised Business, we will:

(1) Provide additional training programs and support services solely as we deem appropriate. (**Franchise Agreement, Section 6.1**).

(2) Provide reasonable telephone support during designated business hours to assist with the operation and management of the Franchised Business and make available the benefits of our information, advice, expertise, and know-how. (**Franchise Agreement, Section 6.3.3**). While we may offer additional assistance from time to time, we are not obligated to provide support in areas such as hiring or training your employees, establishing administrative or accounting procedures, or resolving day-to-day operational issues.

(3) Provide you with any revisions and updates to our Manuals. (**Franchise Agreement, Section 6.2**).

(4) Develop and implement promotional programs and marketing efforts using the Marketing Fund to enhance the brand and system, including local, regional, and/or national media coverage. (**Franchise Agreement, Section 6.3.1**).

(5) We do not have any obligation to assist you in establishing prices; but, to the extent permitted by relevant law, we may establish minimum or maximum allowable prices on the products and services you offer and sell. Except as so specified by us or as otherwise required in the Franchise Agreement or the Manuals, you may determine the prices at which you sell products and services, as well as the terms and conditions of sale.

(6) Review your advertising materials and approve or disapprove them for your use. (**Franchise Agreement, Section 7.2.1**).

Marketing Fund

Your contribution to the Marketing Fund (the "Fund") is up to 2% of your Gross Revenue. If all of the Marketing Contributions are not spent in the fiscal year in which they accrue, the remaining amounts are retained in the Fund for use in the following years.

We administer the Fund. The Fund is not a trust or escrow account, and we do not have any fiduciary obligations with respect to the Fund. We shall use the Fund in our sole discretion for what we deem to be in the general best interests of the System, which may include building the reputation, awareness, visibility and acceptance of the LIFTOLOGY name and Marks and the services associated therewith. We may use the Fund for various purposes, including, but not limited to, (1) salaries, benefits and any other payments made to employees or any other individual or entity providing services to the Fund or providing marketing, advertising and promotion support to franchisees; (2) the creation, development, implementation and production of advertising and promotional materials (*i.e.*, print ads, radio, film and television commercials, videotapes, direct mail pieces, and other print advertising); (3) any marketing or related research and development; (4) advertising and marketing expenses, including services provided by in-house advertising department or national or regional advertising agencies, public relations firms or other marketing, research or consulting firms or specialized freelance professionals; (5) customer surveys, sponsorships, marketing meetings and sales incentives, development and management of our website and intranet system, Internet access provider costs, subscriptions to industry newsletters or magazines, and (6) assisting franchisees in implementing marketing, advertising, and promotional tools and programs, which may include field visits or other targeted or system-wide marketing efforts. The Fund will reimburse us for administrative costs, overhead and accounting expenses incurred in administering the Fund. We will also retroactively reimburse the company for marketing expenses incurred prior to the launch of the brand used to develop the brand. We will not use any of the advertising funds for the solicitation of franchise sales.

We do not have any obligation to conduct advertising, whether local, regional or national. We intend to use the Marketing Fund to build the reputation, awareness, visibility and acceptance of the LIFTOLOGY name and marks and the associated services and to provide marketing, advertising and promotional materials and services to benefit the franchise system. We solely determine the use of the monies in the Fund. We are not required to make expenditures for you that are equivalent or proportionate to your contribution or to ensure that you benefit directly or proportionately from the placement of advertising or promotional efforts. We do not have to spend any particular amount on marketing, advertising or promotion in the area where your Franchise Location is established. We have no affirmative obligation to provide you with an accounting of receipts or disbursements of these funds; however, upon your specific written request, Franchisor will provide an annual unaudited statement of the financial condition of the Marketing Fund.

We have certain in-house marketing and advertising resources as well as use outside regional or national designers, agencies, specialized freelancers professionals, and other Approved Suppliers to create and execute all marketing efforts and campaigns.

We do not currently have an advertising council composed of franchisees that advises us on advertising policies. You are not required to participate in any local or regional advertising cooperative.

Local Marketing

You may not conduct any advertising and promotional activities or use any advertising or other promotional materials without our prior written consent. You may only display the advertising and signage approved by us periodically in the Manuals or as we may otherwise authorize in writing. We may require you to follow and participate in our approved marketing and advertising programs and initiatives.

Computer Equipment and Technology Systems

You must use the email, office management, accounting and customer relationship management (CRM) software or services that we designate as provided by an Approved Supplier. We also reserve the right to require you to purchase or lease proprietary software from us or an Approved Supplier designated by us in the future.

You must own or purchase a laptop or desktop computer system equipped with Ethernet and USB ports and loaded with commercially available software. Your computer system must be capable of sending and receiving e-mails to and from us. The estimated cost to purchase this type of computer hardware is between $1,000 and $2,000. You should also own a mobile telephone with SMS capacity. The cost of mobile telephone hardware and service varies by provider and plan selection. You must pay for ongoing maintenance and repairs to this equipment, as well as any upgrades or updates we require. There are no contractual limits on the frequency and your costs to maintain, upgrade, and update the computer systems and services as we require.

High speed internet access is required. The estimated monthly cost for this service/equipment is approximately $100-300/month. You must also have a minimum of one operational and functioning VOIP telephone and dedicated telephone number provided by an Approved Supplier for use exclusively by the Franchised Business. We estimate the monthly cost to lease this equipment and service is approximately $200-300/month.

We are not required to assist you with buying this equipment or for maintenance, repairs, updates, or upgrades to your computer system. We may transmit communications to you including updates of the Manuals and any policies and procedures via email or through a website portal.

Our CRM database stores data related to your Franchised Business financial and operational information and records and customers, marketing and other contacts and leads, and estimates, jobs, and sales information. The database is our sole property.

We will have, or you must grant us, unrestricted access to your computer systems and all software or services accounts utilized by you in the operation of the Franchised Business, including but not limited to any emails, accounting and customer relationship management software, and we will have independent access to information and data that you collect. There is no contractual limit imposed upon our access to your information and data.

Website, Intranet and Social Media

We alone may establish, maintain, modify or discontinue all internet, world wide web and electronic commerce activities pertaining to the System.

We may also establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee email, System discussion forums and System-wide communications (among other activities) can be done. You may not maintain your own website; otherwise maintain a presence or advertise on the internet or any other mode of electronic commerce in connection with your Franchised Business.

Franchise Location Selection and Approval (Franchise Agreement, Section 2.1.1.)

You must select a business office/warehouse, a "Franchise Location" within your Licensed Service Area, that complies with our System Standards and Manuals, or other written communications. Your Franchise Location is subject to our written approval and must be approved prior to opening your Liftology Franchised Business. A home based location or storage unit will not be permitted without our prior written consent. We do not provide site selection assistance. We do not typically own a premises which is then leased to a franchisee. Your Franchise Location should be a flex office/warehouse space approximately 1,500 to 3,000 sq. ft. that is fully handicapped accessible and is 18-wheeler accessible. It should include a few offices, a showroom space suitable to meet the requirements laid our in our Manuals and other written communications, and include sufficient warehouse space to meet your Franchised Business's needs. We have the right to require that your lease include any provisions that we may reasonably require, which we may specify in the Manuals or otherwise in writing. The Franchise Location shall be open during normal business hours (approximately Monday – Friday from 9am-5pm) and shall be staffed with at least one person who can accept deliveries and greet customers who may visit unexpectedly. You must provide us with written notice if you wish to change the address of your office. If you purchase non-contiguous LSA's, we do require that you establish a franchise location in each non-contiguous LSA in which you operate, also subject to our approval. 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 four years. In determining whether a location will be approved, we will also consider the population density and other relevant demographics as well as the distance from other franchise locations and the number of additional franchises that may be established in the general area in the future. We will advise you whether your proposed location is approved or disapproved within 30 days of the date we receive written notice of your proposed location. If you do not submit a site for the location of your business that is approved by us or we cannot agree on a location, your franchise may be terminated and your initial fee or deposit will be forfeited.

Typical Length of time Before Operation (Franchise Agreement, Section 2.2)

A LIFTOLOGY Franchised Business typically commences operations within approximately sixty to one hundred fifty (60-150) days after the Franchise Agreement is signed. The time required to open the Franchised Business may vary depending on a number of factors, including the time needed to obtain any required financing, secure a location acceptable to us, complete any construction or improvements to the office and warehouse space, purchase and properly brand your installation vehicle, secure opening inventory and marketing materials, secure necessary governmental licenses and permits, complete our initial training program and other required training, and recruit and train your personnel.

You are required to diligently pursue the steps necessary to open the Franchised Business. If the Franchised Business has not commenced operations within 150 days after execution of the Franchise Agreement, we reserve the right, in our discretion, to terminate the Franchise Agreement unless we approve a written extension**.**

You may begin operating your Franchised Business only after we give our written approval for you to do so. You will not be permitted to open your franchise business or commence operations until you have paid all fees owed to us, completed all required training, onboarding, and certifications to our satisfaction, received our site approval for our franchise location, taken possession of your approved location and obtained a certificate of occupancy, secured your approved installation vehicle, received approval for your opening inventory and showroom equipment, provided proof of required insurance, obtained all required licenses and permits, and satisfied all other pre-opening requirements set forth in the Franchise Agreement and Manuals.

Staffing and Operational Roles

The Franchised Business is generally operated through three primary functional roles: (i) an inside sales/account manager that ensures phones are answered at a rate of 75% or greater and who assists with quote building, ordering product, scheduling, and other administrative tasks and office management (ii) an outside sales role that includes business-to-business development and customer home evaluations; and (iii) and installation and service technicians role to complete product installations, service, and repairs. These roles are further described in the Operations Manual and System Standards.

While the structure and staffing of the Franchised Business are determined by you, you must ensure that these functions are adequately performed at all times. If we determine that any of these functions are not being properly performed, we may require you to hire or designate personnel to fulfill one or more of these roles in accordance with our Manuals and System Standards.

Training (Franchise Agreement, Section 6.1)

Within fourteen (14) days of executing your Franchise Agreement, you must complete your initial onboarding call with us. During this call we will provide you with our on-boarding checklist, system standards, and Manuals; and schedule regularly on-boarding cadence check-in calls to ensure you are completing the necessary tasks and steps to open your Franchise Business timely.

Your Managing Owner will also be required to attend the Initial Training Program (Lift Off Academy) at a time we designate at our principal offices or other place we designate. Currently, our Initial Training Program is conducted at our headquarters in Salt Lake City, UT and lasts approximately 3.5-4 days. This is subject to change at our discretion. If either you, your owner, or your Managing Owner does not, in our judgment, successfully complete the Initial Training Program, we may terminate the Franchise Agreement. (**Franchise Agreement, Section 10.2.10**). The Initial Training Fee includes training for 2 persons at our headquarters in Salt Lake City. Any additional attendee of the Initial Training Program will pay Franchisor an Additional Initial Training Program Fee of $500 per person. We will offer our Initial Training Program approximately every other month to ensure franchisees have completed the Initial Training Program within approximately 60-90 days of signing a Franchise Agreement.

You will receive no compensation or reimbursement for services or expenses for you or your employee's or installer's participation in trainings. You are responsible for the expenses you and any attendees will incur for travel and expenses while training, including without limitation airfare and/or other transportation, lodging, meals, and other associated expenses. These expenses also apply to any additional training beyond the initial training at the location of different manufacturers/suppliers as needed. The cost of this will depend on the number of persons who attend training and the distance you must travel to the training location. You must pay the travel expenses for you and for any additional trainees.

Your Managing Owner will also attend an in-person 3-day training session with our supplier in Oconomowoc, Wisconsin. Beyond the Initial Training Program listed above in Salt Lake City, UT and our supplier training in Oconomowoc, WI, there are other manufacturer/supplier training programs online that you will be required to complete and additional optional in-person trainings that you may need to attend at manufacturer sites in Austin, Texas, Sarasota, Florida, Kansas City, Missouri, and/or Nyack, New York. These locations may change at our discretion if add or modify approved suppliers. These additional trainings cover product knowledge, sales and marketing topics, installation, service, and safety tips, and an overall company and industry overview. Each of our manufacturers/suppliers has their own respective training and certification requirements to be an approved dealer in good standing. You must meet their respective training requirements to be a dealer, in good standing, and what they require to be eligible for leads or installations, and to be listed on their dealer locators.

There is no separate training fee for the additional manufacturer training programs, although you must pay for all of the expenses of your personnel and you to attend any training program, including, but not limited to, travel, lodging, car rentals, meals and the wages of any person attending training.

You will not receive our written approval to open your Franchised Business until you have completed all required Franchisor and key supplier/manufacturer training, on-boarding, and certifications to our satisfaction.

You must complete your initial training at least 10 days before you begin operation of the Franchised Business. Your primary installer must complete the required manufacturer/supplier technical training programs and required certifications before they provide installation or other services to customers of your Franchised Business.

As of the date of this Franchise Disclosure Document, our Initial Training Program which may be periodically changed, is as follows:

INITIAL TRAINING PROGRAM (Lift Off Academy)

FOR YOU, YOUR OWNER (if you are an entity), OR YOUR MANAGING OWNER

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Market Overview & Sales Process	2.5	-	Salt Lake City, UT
Product Knowledge: Evaluation,Application, and Sales of Stairlifts, Ramps, Auto Lifts, Vertical Platform Lifts, Patient Lifts	15	-	Salt Lake City, UT

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Unit financials, goals, and service work opportunities	2	-	Salt Lake City, UT
Management/Operations Procedures & Launch Prep	1	-	Salt Lake City, UT
Marketing, B2B & Referral Sources	2.5	-	Salt Lake City, UT
Goal setting 1-3 years	1	-	Salt Lake City, UT
Instruction on Proprietary Operating System	2	-	Salt Lake City, UT
Partnership & working relationship with key Suppliers	6	-	Salt Lake City, UT
Networking & relationship building with key Suppliers	8	-	Salt Lake City, UT
TOTAL	**40**	**0**	

The primary training and certification for your Managing Owner and your installer will be conducted by our manufacturer's personnel and trainers at their training center in, Oconomowoc, WI, where you and your owners and installers are required to travel.

<u>FOR YOU & YOUR PRIMARY INSTALLER / FIELD TECHNICIAN</u>

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Day 1 Training: Vehicle Lifts	8	-	Manufacturer Location in Oconomowoc, WI
Day 2 Training: Stairlifts	8	-	Manufacturer Location in Oconomowoc, WI
Day 3 Training: Vertical Platform Lifts	8	-	Manufacturer Location in Oconomowoc, WI
TBD – Day 4 Training: Elevators	8	-	Manufacturer Location in Oconomowoc, WI
TOTAL	**32**		

Our primary instructional materials consist of our Operations Manual (the Manuals) and Supplier List. We may also require you, your owner (if you are an entity), and/or your Managing Owner and you to attend refresher courses and additional training courses, and may charge a fee for this. You will also have to pay all of your and your owner's expenses to attend any refresher or additional training course.

Computer skills are necessary for the operation and marketing of the Franchised Business. You must become proficient in the use of the Windows and Microsoft software programs on your own. If this is not done before the start of training, the ability to learn external programs and functions may be delayed.

ITEM 12

TERRITORY

You are granted the right to operate the Franchised Business only from an approved Franchise Location within a territory that encompasses a defined LSA. Your LSA will be defined by contiguous ZIP codes and be described on Schedule A to the Franchise Agreement. We will not modify the boundaries of your Licensed Service Area during the term of this Agreement except as expressly permitted under this Agreement. The size of your LSA will be based on general population density of at least 500,000. All territory and areas comprising the LSA must be contiguous and must be approved by us. The population number in your designated LSA is determined based upon recent United States census data and estimates and chamber of commerce information, but we make the final determination.

The LSA is a protected territory, but it is not exclusive as described in the Franchise Agreement. You may face competition from other franchisees, from company-owned locations, or from other distribution channels or businesses operated or controlled by us that may offer products or services similar to those offered by the Franchised Business.

Provided you remain in material compliance with this Agreement and satisfy the minimum performance requirements described below, we will not establish or authorize another Liftology-branded franchised business that primarily operates from a location within your LSA. For purposes of this Section, "material compliance" means that you: (a) are not in default under the Franchise Agreement that has remained uncured after applicable notice and cure periods; (b) are current on all required payments to us; and (c) are operating the Franchised Business in accordance with the system standards, Manuals, and other material obligations of the Franchise Agreement. We will not withhold territorial protection based on minor or technical violations that do not materially affect the operation of the Franchised Business.

You do not automatically receive any options, rights of first refusal or similar rights to acquire additional franchise locations within or outside your LSA. You must purchase another franchise to obtain an additional territory if you qualify, subject to territorial availability and our approval.

Location of Business

You must establish a location for the Franchised Business ("Franchise Location") within your LSA, which requires our written approval. Any relocation must follow our then-current site approval procedures. Relocation of the Franchise Location does not modify the boundaries of the Licensed Service Area unless otherwise agreed in writing by us. If you lease space to accommodate the Franchised Business, we must approve the lease.

Sales Outside LSA

You may not conduct the Franchised Business or offer any products and services in another Liftology franchisee's Licensed Service Area or in any territory in which we or our affiliate(s) operate. You may not sell products or services associated with or identified by the Marks at any location outside the Licensed Service Area without our prior written approval, which may be withheld. You may not actively solicit customers located outside your LSA without our prior written consent. For purposes of this Agreement, solicitation includes in-person contact, telephone calls, targeted mailings, email communications, or distribution of promotional materials directed at customers located in another franchisee's territory. If we authorize you to perform services or installations outside your LSA, such authorization may be withdrawn at any time. If you receive an inquiry or request for Products or Services from a customer located outside your LSA, we may require that the opportunity be referred to the franchisee responsible for that territory or be reassigned by us. However, franchisees may perform services outside their LSA, when permitted by us, when serving existing customers, or when fulfilling assignments from us. For purposes of determining whether a customer is located within a Licensed Service Area, the customer's physical service address will control rather than the ZIP Code used for mailing purposes. If a question arises regarding whether a customer location falls within a particular LSA, we will make the final determination in its reasonable discretion. If we consent to you making sales outside of your Territory, you must immediately cease doing so if we subsequently withdraw our consent. If we allow you to conduct business in a geographic area that has not yet been assigned to a franchisee, and we later award a franchise for that area to another party, you must promptly discontinue soliciting new customers within that area. However, you may continue to provide services to customers located there with respect to existing orders, projects, or contractual obligations that arose prior to the assignment of the territory. You must provide us with all relevant information regarding customers located in the formerly unassigned area so that such information may be shared with the newly appointed franchisee. In addition, your Gross Revenue derived from customers located outside your Licensed Service Area during any calendar year may not exceed ten percent (10%) of your total Gross Revenue for that year.

Reserved Rights of Liftology

Although we do not currently sell Products or Services directly to customers located within your LSA, we reserve the right to conduct business activities and distribute Products and Services in a variety of ways. Except as otherwise provided in the Franchise Agreement, we (and our affiliates) retain the exclusive and unrestricted right, directly or indirectly, to take the following actions:

1. may own, acquire, establish, operate, or license others to establish and operate Liftology businesses at any location outside your LSA.
2. may own, acquire, establish, operate, or license businesses under other trademarks, brand names, or systems, which may offer products or services that are the same as, similar to, or different from those offered by the Franchised Business and may operate anywhere, including within or outside your LSA.
3. may produce, license, distribute, advertise, and sell Liftology-branded products, merchandise, clothing, souvenirs, novelty items, or other goods through any outlet or distribution channel. These channels may include retail stores, department stores, wholesale arrangements, e-commerce platforms, mail order catalogs, direct marketing, or other methods regardless of their proximity to your Franchised Business.
4. may license other parties to offer additional Products or Services under the Liftology trademarks or system within the Licensed Service Area.
5. may develop, operate, or license other channels of distribution for Products and Services under the Marks or under other brands. These channels may include, without limitation: toll-free telephone numbers, websites, domain names, URLs, and online platforms, call

centers or online networks, kiosks, carts, concessions, and satellite units, mobile, temporary, remote, or non-permanent locations and/or retail or other sales operations now existing or developed in the future. We may advertise, promote, and sell Products and Services through websites, online platforms, call centers, or other electronic channels.

We are not required to pay you any compensation if we exercise any of these rights in your LSA.

In your LSA. we may determine how customer inquiries, leads, or sales originating from these channels are handled, including referring opportunities to franchisees, fulfilling orders directly, or allocating opportunities among franchisees at our discretion. We are not obligated to refer any particular inquiry, lead, or sale to you.

We do not currently operate company-owned, affiliate-owned, or franchised outlets for a similar or competitive business within your LSA under a different trademark or service mark. However, we reserve the right to establish or authorize such businesses or to use other channels of distribution, including the Internet, catalog sales, telemarketing, and/or other direct marketing methods.

Strategic Accounts

We may establish relationships or programs with certain organizations or entities on a regional or national basis as our "Strategic Accounts" that require servicing by more than one franchisee, including, without limitation, healthcare systems, insurance providers, government agencies, senior housing organizations, or other entities. We have sole discretion to determine whether a customer qualifies as a Strategic Account, the terms of such arrangements, and which franchisee or service provider will service those accounts. We may service Strategic Accounts directly or assign them to franchisees regardless of Territory boundaries. The U.S. Department of Veterans Affairs (including the Veterans Health Administration) is designated as a Strategic Account. We may designate additional Strategic Accounts at any time in our discretion. Your eligibility to participate in any Strategic Account opportunity is conditioned upon you being in full compliance with all terms and conditions of the Franchise Agreement at the time of the opportunity and at all times during the term of the Strategic Account engagement. Participation in a Strategic Account is further conditioned upon your agreement to such additional agreements, addenda, or terms and conditions as we may require in connection with the Strategic Account, including without limitation any customer-specific service requirements, confidentiality obligations, pricing terms, and performance standards. We reserve the right to remove a franchisee from a Strategic Account at any time if franchisee fails to comply with the Franchise Agreement, the Strategic Account terms, or our system standards applicable to the Strategic Account. In the event you are unable or unwilling to participate in a Strategic Account opportunity, or is removed from a Strategic Account for any reason, we reserve the right, in our sole discretion, to assign or reallocate the Strategic Account work to any other person or entity we deem appropriate, including without limitation another franchisee in our system, a subcontractor approved by us, or ourselves. You will have no claim to any Strategic Account opportunity, revenue, or customer relationship that is assigned or reallocated pursuant to this provision, and such assignment or reallocation shall not constitute a breach of the Franchise Agreement or give rise to any liability on our part.

Territory Service

You are responsible for providing timely and professional sales, installation, and service coverage throughout your LSA. If we determine that customers within the LSA are not being adequately served, including due to excessive response times, failure to respond to customer inquiries, insufficient staffing or installation capacity, or other service deficiencies, Liftology may require corrective action. Liftology will provide written notice and a reasonable opportunity to correct any service deficiencies before taking such action. If such deficiencies are not corrected within a reasonable period after notice, Liftology may take actions necessary to ensure appropriate customer service within the LSA, including assigning service requests to other franchisees or service providers or modifying or removing the territorial protections associated with the LSA.

Minimum Annual Performance Requirement

Your LSA is subject to performance requirements based on minimum annual Gross Revenue thresholds calculated on a per-capita basis relative to the population within your LSA (the "Performance Requirements"). The applicable Performance Requirements are as follows:

- **Years 2 and 3:** Minimum annual Gross Revenue of $0.35 per person of population within your LSA during each of your second and third years of operations.

- **Years 4 through 10:** Minimum annual Gross Revenue of $0.70 per person of population within your LSA during each of your fourth through tenth years of operations.

We will determine, in our sole discretion, whether you have met the applicable Performance Requirement for each year of operations based on your reported Gross Revenue and the applicable population data for your LSA.

If you fail to meet the applicable Performance Requirement in any single year, we will notify you of the deficiency and require you to execute a Performance Improvement Plan ("**PIP**") within 30 days of notice. If you fail to execute the PIP within the required timeframe, or if you execute the PIP but fail to comply with its terms, we reserve the right to terminate your Franchise Agreement, terminate the territory protections related to your LSA, and/or reduce the size of your LSA, in our sole discretion, upon written notice to you.

If you fail to meet the applicable Performance Requirement in any second year, whether consecutive or non-consecutive, your Franchise Agreement will be subject to immediate termination, and we further reserve the right to terminate the territory protections related to your LSA and/or reduce the size of your LSA, in each case upon written notice to you. A second miss is not subject to a cure period or the PIP process.

At the conclusion of each anniversary year of your opening date, we will reconcile your actual annual Gross Revenue against the applicable Performance Requirement for that year (the "**Annual True-Up**"). We will issue an invoice to you within the first quarter following your opening anniversary date setting forth the results of the Annual True-Up. Any underpayment of royalties identified in the Annual True-Up shall be due and payable within 90 days of your opening anniversary date and will be withdrawn from your designated bank account via ACH debit. You hereby authorize us to initiate such ACH debit without further notice or approval from you.

There are no other minimum sales, volume, market penetration, or other requirements or contingency to maintain your territorial rights.

ITEM 13

TRADEMARKS

We own and grant you the license to use and display the trademark LIFTOLOGY and related trade names, trademarks, service marks, logos, assumed names and other commercial symbols used to identify your Franchised Business (the "Marks"). We may require you to use this name with other words or symbols.

We have filed an application for registration for the following trademark on the Principal Register of the United States Patent and Trademark Office ("**USPTO**"):

TRADEMARK	APPLICATION NUMBER	APPLICATION DATE
LIFTOLOGY	99316459	August 1, 2025

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

All required renewals and affidavits have been filed or will be filed at the time specified by law.

If our right to use the trademark is challenged, you may be required to change to an alternative trademark, which may increase your expenses.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, or any pending infringement, opposition or cancellation or any pending material litigation involving the principal trademarks. There are no agreements currently in effect that significantly limit our rights to use or license the use of the principal trademarks that are material to the franchise, nor are there any prior superior rights or infringing uses actually known to us that could materially affect your use of the licensed trade name, trademarks, or service marks. No agreements limit our right to use or license the use of our trademarks.

You must promptly notify us if you learn about an infringement of the Marks or a challenge to your use of them. We may take the action we decide is appropriate to protect and defend the Marks and the system. If we institute litigation or elect to defend an action, you must cooperate in any action if requested by us.

We are not obligated by the Franchise Agreement to participate in your defense in any administrative or judicial proceeding involving our Marks, or to indemnify you for costs and expenses you incur if you are a party in any action or proceeding involving our Marks. We have the sole right, but no obligation, to control any litigation involving our Marks and to compromise or settle any claim, in our discretion, at our sole cost and expense, using attorneys of our own choosing, and you must cooperate fully in defending any claim and you may participate, at your own expense, in the defense or settlement.

Periodically, in the Manuals or in directives or supplemental bulletins, we may add to, delete, or modify any or all of the Marks.

You must modify, replace or discontinue the use of a trademark if we so require. You must pay for your costs of compliance (e.g., changing signs, destroying or recalling advertising and promotional items).

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own rights in, or license to, any patents and we have no pending patent applications that are material to the franchise. Although we have not registered copyrights for certain materials, we claim copyright protection for the Manuals, artistic designs, word combinations, marketing materials, operations and training materials, and other proprietary publications that we license to you, along with other proprietary information and publications we own or have acquired under license from a third party, and everything concerning operating procedures. All of this is our proprietary intellectual property. The franchised business may utilize certain computer software, technology systems, or online platforms in connection with the operation of the Franchised Business. These systems may be owned or licensed by third parties and not by Liftology. Your use of such systems will be subject to the applicable license agreements or terms of use of the software provider.

We are not aware of any infringing uses that would materially affect your use of the copyrights, trade secrets, processes, methods, procedures, or other proprietary information described above. There are no agreements currently in effect that limit our rights to use or license the above-mentioned copyrights in any manner.

You must notify us if you learn about an infringement of or challenge to your use of these copyrighted materials. We may take the action we believe appropriate if a third party is infringing on any of our copyrights.

We will provide you with information that is confidential, proprietary, and constitutes trade secrets. Examples of this type of information include knowledge of the system and the technology, concepts or results relating to related technology, sources and suppliers of equipment, and, in general, methods, techniques, formulas, formats, specifications, standards, procedures, know-how, information systems, forms of agreement and actual agreements used in connection with the Franchised Business, and the entire contents of the Manuals. You must maintain the absolute confidentiality of all such information during and after the term of the Franchise Agreement. You also must not use any such information in any other business or in any manner not specifically authorized or approved in writing by us, or make copies of such information, or divulge such information to any other person except as permitted by us. You must obtain a confidentiality agreement (in a form provided by us, which form, among other provisions, will designate us as a third-party beneficiary of such covenants with the independent right to enforce them) from any other person involved in your Franchised Business who will have access to any confidential information or trade secrets.

If you or any owner or principal of you develops or discovers any new idea, concept, product, service, marketing method, operational technique, or improvement relating to the operation, promotion, or management of the Franchised Business (including enhancements to software or technology used in the business), you must promptly notify us and provide all relevant details and supporting information.

Any such development or improvement relating to the System, Products, Services, equipment, or methods of operation will automatically become the exclusive property of Liftology without any payment or other compensation to you. This applies whether or not the development was created with our prior approval.

If any such development may be subject to intellectual property protection, including trademark, copyright, patent, trade secret, or similar rights, you agree to sign any documents reasonably requested by us to confirm Liftology's ownership, to assign any rights to Liftology, and to assist in obtaining or maintaining any registrations or protections relating to those rights.

By entering into the Franchise Agreement, you and each of your owners assign to Liftology all rights, title, and interest in any such developments or improvements and acknowledge that Liftology may use, disclose, or implement those developments throughout the Liftology system, including sharing them with other franchisees, without compensation to you.

This assignment applies regardless of when or where the development was created, including developments made outside normal business hours or without the use of Liftology resources, so long as the development relates to the System, the Products or Services offered through the Franchised Business, or the operation or promotion of the Liftology brand.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

The Franchised Business is intended to be operated by an owner-operator and is not designed to be operated on an absentee basis. You must designate one individual Owner (as that term is defined in the Franchise Agreement), subject to our prior written approval, to serve as the **"Managing Owner"**, who will be responsible for the active management and supervision of the Franchised Business. If the Franchisee is a corporation, limited liability company, or other entity, the Managing Owner must be an Owner with an equity interest in the Franchised Business and must be approved by us. The Managing Owner must devote full-time efforts to the active management and day-to-day operation of the Franchised Business and must attend and successfully complete the Initial Training Program and any additional training, onboarding, or certification programs required by us or by approved manufacturers or suppliers.

The Managing Owner must directly supervise and actively participate in the daily management and operation of the Franchised Business and must have at least 10% ownership in the franchisee entity. You may not change the Managing Owner without our prior written approval. The Managing Owner may not engage in any other W-2 employment, operate or hold an ownership interest in another active business, or otherwise participate in any business or professional activity outside of the Franchised Business without our prior written consent.

If you wish to employ a full-time general manager to manage the daily operations of the Franchised Business, in lieu of the Managing Owner, you must first obtain our prior written approval both to appoint a general manager and to approve the specific individual selected. Such approval may be granted or withheld in our discretion. If we approve your request, the Managing Owner must continue to actively oversee the Franchised Business and supervise the general manager.

Any approved general manager must attend and successfully complete the Initial Training Program and any additional training, onboarding, or certification programs required by us or by approved manufacturers or suppliers.

Before beginning employment, the general manager must sign a confidentiality and non-competition agreement in a form acceptable to us. We may provide you with a model confidentiality and non-competition agreement for this purpose; however, you are responsible for consulting with your own legal counsel to ensure that any agreement used complies with applicable state law.

If you are a corporation or other entity, each of your Owners must sign the Personal Guaranty in the form attached to the Franchise Agreement. We may also require any person involved in assisting you to fulfill your obligations under the Franchise Agreement who will have access to any of our confidential information or trade secrets to sign a confidentiality agreement in a form acceptable to us. Your officers, directors, executives, members, managers, shareholders, partners, employees and owners must sign a non-competition agreement in a form acceptable to us.

You are not required to grant an equity interest to any employee or manager.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

The Franchised Business is limited to offering and selling the Products and Services that we designate or approve in writing for the Liftology system. You may offer and sell only those Products and Services that we authorize and only in the manner we prescribe.

You must offer the approved Products and Services only within your LSA and only through the methods and channels of distribution that we approve.

From time to time, we may designate additional Products and Services as required or optional offerings for the Franchised Business. Certain optional Products and Services may be identified in the Manuals. We reserve the right to modify, expand, limit, or discontinue the Products and Services that may be offered through the Franchised Business. Some changes may require you to obtain additional equipment, training, certifications, or supplies in order to offer the revised Products and Services.

You must immediately discontinue offering any Products or Services that we designate as discontinued or no longer approved.

You may sell previously installed, used, or refurbished equipment only if such equipment and the manner in which it is reconditioned, marketed, and installed comply with our standards and requirements as described in the Manuals or otherwise communicated by us.

You must comply with all applicable laws, regulations, licensing requirements, and industry standards that apply to the sale or installation of Products and Services offered through the Franchised Business. Certain Products and Services may require manufacturer training, certifications, or authorization before you may sell or install them. You must comply with all warranty requirements applicable to the products and services you offer in connection with the Franchised Business, including any warranty programs, terms, and standards we establish or modify from time to time and set forth in the Manuals. You may not offer, make, or honor any warranty or guarantee to customers that is inconsistent with or exceeds the warranty terms we authorize. We reserve the right to modify the warranty requirements applicable to the Franchised Business at any time upon notice to you.

You may not offer, sell, install, or promote any products or services that are not part of the Liftology system or that we have not expressly approved in writing, whether under the Marks or otherwise in connection with the Franchised Business.

ITEM 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists important provisions of the Franchise Agreement 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 3.1	Term is 10 years from the Effective Date of the Franchise Agreement.
b. Renewal or extension of the term	Sections 3.2, 3.4	If you meet the renewal requirements, you may be eligible for a successor franchise agreement for a successive term. If you do not sign a successor agreement prior to your expiration but continue to operate as a Liftology franchisee, at our option, your Franchise Agreement may be treated as either: (i) expired and a breach of the Franchise Agreement; or (ii) continue on a month-to-month basis until either party provides notice to the other of its intent to terminate this extended period or the parties enter into a successor agreement.
c. Requirements for franchisee to renew or extend	Section 3.2	Provide us notice of your intent to renew 120 days prior to the expiration of your current Term; you must pay the Successor Agreement Fee and sign the then-current Franchise Agreement being offered to new franchisees, which may contain materially different terms and conditions than your original Franchise Agreement; be in compliance with the Franchise Agreement, mandatory specifications, then current Manuals, standards and operating procedures, and marketing programs; satisfy all monetary obligations owed by you to us, our affiliates, and your suppliers; refurbish and upgrade your franchise location and vehicle to our then current specifications; comply with any additional modernization requirements; your Managing Owner must complete our then-current training requirements, sign a general release, and there must be no Event of Default (as defined in the Franchise Agreement), nor any condition that, with the giving of notice, the expiration of any applicable cure period, or both, would constitute an Event of Default. Even if all conditions are satisfied, we may decline to renew your franchise if we have discontinued offering new or renewal franchises in the state where your franchise is located, subject to conditions.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
D. Termination by franchisee	Section 10.1	If we are in material breach and fail to cure within 60 days after notice, and you are in full compliance with the Franchise Agreement. Any termination for our failure to perform obligations before you open for business must be done within 30 days of the date you open for business. You may terminate the franchise agreement on any grounds available under applicable law.
e. Termination by franchisor without cause	None	Not Applicable.
f. Termination by franchisor with cause	Sections 10.2, 10.3	We can terminate if you default or if events described in (g) and (h) below occur.
g. "Cause" defined – curable defaults	Section 10.3	We may terminate this Agreement if you fail to cure any default within 15 days. Curable defaults include, without limitation: (i) failure to timely pay any amounts owed to us or our affiliates, or failure to accurately report Gross Revenue or any other required information when due; (ii) any act or omission that, in our reasonable judgment, adversely affects or may adversely affect the goodwill or reputation of the System or the Marks, including any unauthorized use of the Marks; (iii) failure to comply with your obligations to actively promote, manage, and operate the Franchised Business in accordance with this Agreement, including Section 7; (iv) failure to permit us to inspect or audit your books, records, or operations; (v) failure to satisfactorily complete any required training, onboarding, or continuing education requirements; or (vi) failure to comply with our Manuals or System Standards, including, but limited to maintaining required customer service and communication standards, such as a minimum 75% call answer rate on tracked phone lines. You have 30 days to cure any other default under the Franchise Agreement.
h. "Cause" defined – non-curable defaults	Section 10.2	We may terminate this Agreement immediately, without an opportunity to cure, upon the occurrence of any of the following: (i) you make any material misrepresentation or provide false or misleading information to us, including in any application, report, or required disclosure; (ii) you become insolvent, make an assignment for the benefit of creditors, or file for or are subject to bankruptcy or similar proceedings; (iii) you or any of your owners, officers, directors, or Managing Owner are indicted for or convicted of a felony, engage in conduct involving moral turpitude or consumer fraud, or otherwise engage in conduct that, in our reasonable judgment, adversely affects the goodwill associated with the Marks; (iv) you make any unauthorized assignment or transfer of this Agreement or the Franchised Business; (v) you violate the non-compete or non-disclosure covenants or operate any unauthorized competing business;

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
		(vi) you operate any additional business or location offering products or services similar to the Franchised Business without our prior written approval or fail to report all Franchised Businesses in operation; (vii) you cease operating the Franchised Business for more than seven (7) consecutive days (viii) you misuse or infringe upon the Marks or other proprietary rights; (ix) you materially violate any applicable federal, state, or local law or regulation in connection with the Franchised Business; or (x) you violate territory boundaries after previously receiving 1 prior written notice of violation; (xi) you under-report Gross Revenue by 3%; (xii) you repeatedly conduct yourself in an unprofessional manner after receiving 2 prior written notices; (xiii) receipt of 2 or more notices of default in any 12 month period; (xiv) fail to meet any Annual Performance Requirement; (xv) fail to comply with customer service standards on two (2) occasions within any twelve (12) month period, or (xvi) you default under any other agreement with us or our affiliates where such default permits termination of that agreement.
i. Franchisee's obligations on termination/non-renewal	Section 11	Obligations include: pay all amounts owed to us; cease identifying yourself as affiliated with the System or the Marks, including cancelling all associated telephone numbers and internet directory listings; cease using Marks and proprietary information; return all materials and the Manuals; and cancel all fictitious or assumed names relating to the Marks; keep all information associated with the Franchised Business confidential; comply with any other requirements in the Manuals; cease acting as a dealer for any of our approved suppliers or manufacturers; and others (see (r) below).
j. Assignment of contract by franchisor	Section 9.1	No restriction on our right to assign.
k. "Transfer" by franchisee– definition	Section 9.2	"Transfer" includes any direct or indirect assignment or transfer of this Franchise Agreement, any sale or transfer of the Franchised Business or any of its assets, and any sale, assignment, transfer, or issuance of any ownership interest in Franchisee.
l. Franchisor approval of transfer by franchisee	Section 9.2	We must approve any assignment or transfer.
m. Conditions for franchisor approval of transfer	Section 9.2	We will not unreasonably withhold our consent to a Transfer provided that the following conditions are satisfied: (i) you provide us at least sixty (60) days' prior written notice describing the proposed Transfer, including the identity of the proposed transferee and the material terms of the transaction; (ii) you are in full compliance with this Agreement and no Event of Default exists, nor would result from the Transfer; (iii) the terms of the proposed transfer agreement do not adversely affect the goodwill, reputation, or operation of the System or the Marks; (iv) the proposed transferee meets our then-current

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
		standards for new franchisees and satisfactorily completes our approval process, including providing such financial, background, and operational information as we reasonably require; (v) you and your owners execute a general release of any and all claims against us and our affiliates; (vi) the proposed transferee obtains all licenses, permits, and approvals required to operate the Franchised Business; (vii) the proposed transferee executes our then-current form of Franchise Agreement and any required guaranty, which agreement may contain terms materially different from this Agreement; (viii) the proposed transferee expressly assumes in writing all obligations under the Franchise Agreement and related agreements; (ix) you or the proposed transferee pays a transfer fee and the applicable Initial Training Fee; (x) the proposed transferee or the individual designated to manage the day-to-day operations of the Franchised Business satisfactorily completes our initial training program and any other required on-boarding, training, licensing, or certifications; and (xi) either you or the proposed transferee agrees to complete, within a reasonable time we determine, any modernization, renovation, equipment replacement, or upgrade requirements we may require for the Franchised Business.
n. Franchisor's right of first refusal to acquire your business	Section 9.3	We have the right, but not the obligation, to purchase the Franchised Business, the Franchise Agreement, or any ownership interest proposed to be transferred on the same terms and conditions offered by the proposed transferee, which right we may exercise ourselves or through a designee.
o. Franchisor's option to purchase your business	None	Our right to purchase the Franchised Business in connection with a proposed Transfer is governed by the right of first refusal described in subsection (n).
p. Death or disability of franchisee	Section 9.4	If Franchisee dies or becomes permanently disabled, the deceased or disabled person's heirs, estate, or legal representatives may, within six (6) months after the death or determination of disability, transfer that person's interest in the Franchisee or the Franchised Business to a third party, subject to the transferee satisfying the requirements for approval of transfers described in subsection (m). During this period, the Franchised Business must continue to operate in compliance with this Agreement and under the supervision of a qualified manager acceptable to us. If the interest is not transferred within that six (6) month period, we may require the Franchised Business to be transferred to a qualified purchaser approved by us. If the Managing Owner dies or becomes disabled, Franchisee must designate a replacement Owner-Operator acceptable to us.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
q. Non-competition covenants during the term of the franchise	Section 11.8	During the term of this Agreement, neither you, nor any Owner, nor any immediate family member of an Owner residing in the same household may divert or attempt to divert any business or customer from the Franchised Business or own, operate, manage, consult for, be employed by, lend money to, lease property to, or have any direct or indirect financial interest in any Competitive Business, whether such Competitive Business operates within or outside the Territory. This restriction applies regardless of whether the Competitive Business is operated directly or indirectly through another person or entity, including, without limitation, through a spouse, family member, affiliate, partnership, corporation, limited liability company, trust, or other business entity. For purposes of this Agreement, a "Competitive Business" means any business in which five percent (5%) or more of its gross revenues are derived from products or services that are the same as or substantially similar to those offered by the Franchised Business, including, without limitation, businesses engaged in the sale, installation, or service of mobility equipment, accessibility equipment, residential or commercial access solutions, construction or remodeling services relating to accessibility, or similar services.
r. Non-competition covenants after the franchise is terminated or expires	Section 11.8, 12.10	No competing business for 24 months after termination or expiration (including assignment) within 25 miles of your LSA, within 25 miles of the LSA of any other franchisee as existing at the time of termination or expiration. For 24 months you cannot solicit or service customers of the Franchise Business. For 18 months, you cannot solicit or service current customers of any LIFTOLOGY franchisee or employ employees of Franchisor or other franchisees. If covenants not to compete are not enforceable in your state and you continue to operate, you must pay a deferred training fee as liquidated damages in an amount equal to thirty percent (30%) of Franchisee's average annual Gross Revenue over the Franchisee's preceding two (2) years (or for such shorter period if Franchisee has not been under a Franchise Agreement for a full two (2) year period).
s. Modification of the agreement	Sections 6.2.2, 6.3.2, 7.3.5, 11.8.5, 13.3, 13.5	This Agreement may be modified only by a written amendment signed by both you and us. However, we reserve the right to modify, improve, and further develop the System and the System Standards from time to time in our discretion, including the Manuals and any policies, procedures, specifications, products, services, technology, marketing programs, or operational requirements relating to the System. You agree to comply with all such modifications and to implement them within the time period we reasonably require.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
t. Integration/merger clause	Section 13.5	This Agreement, together with any addenda and referenced agreements, constitutes the entire agreement between the parties and supersedes all prior or contemporaneous agreements, understandings, negotiations, representations, or promises, whether oral or written. Franchisee acknowledges that it has not relied on any representations, projections, or statements regarding actual or potential sales, revenues, income, profits, or other financial performance except as expressly set forth in this Agreement or in Item 19 of the Franchise Disclosure Document, if applicable, and that no representative of Franchisor is authorized to make any such representation unless included in Item 19. Nothing in this Agreement or any related agreement disclaims or requires Franchisee to waive reliance on the representations made in the Franchise Disclosure Document.
u. Dispute resolution	Section 12	Except for claims seeking injunctive or other equitable relief, which may be brought at any time, the parties agree that any dispute, claim, or controversy arising out of or relating to this Agreement or the Franchised Business shall first be submitted to good faith negotiations between the parties. If the dispute is not resolved within thirty (30) days after written notice of the dispute, the parties agree to submit the dispute to non-binding mediation conducted by a mutually agreed mediator. If the parties are unable to resolve the dispute through mediation, either party may pursue any remedies available at law or in equity. Notwithstanding the foregoing, Franchisor may seek immediate injunctive or other equitable relief, without first engaging in negotiation or mediation, to enforce its rights under this Agreement, including, without limitation, the protection of its Marks, System, confidential information, and non-competition covenants. EACH PARTY IRREVOCABLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT.
v. Choice of forum	Section 12.2	Subject to applicable law, any action arising out of or relating to this Agreement shall be brought exclusively in the state or federal courts located in Salt Lake County, Utah, and the parties irrevocably consent to the jurisdiction and venue of such courts.
w. Choice of law	Section 12.1	This Agreement and all claims arising out of or relating to this Agreement or the parties' relationship will be governed by the laws of the State of Utah, without regard to conflict of laws principles. Federal law, including the Lanham Act (15 U.S.C. § 1051 et seq.), governs matters relating to Franchisor's trademarks and other intellectual property. To the extent required, applicable state franchise or relationship laws will control in the event of a conflict.

ITEM 18

PUBLIC FIGURES

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

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised 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 franchise you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance of a particular Location or under particular circumstances.

We do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting David Pazgan at 244 W 300 N, Suite 100, Salt Lake City, Utah 84103, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Years 2023 - 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Company-Owned	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Total Outlets	**2023**	0	0	0
	2024	0	0	0
	2025	0	0	0

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

State	Year	Number of Transfers
All States	2023	0
	2024	0
	2025	0
Total	**2023**	0
	2024	0
	2025	0

Table No. 3
Status of Franchised Outlets
For Years 2023 - 2025

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Total	**2023**	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0

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

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
Total	**2023**	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0

TABLE NO. 5
PROJECTED OPENINGS AS OF DECEMBER 31, 2025

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
Arkansas	0	1	0
Colorado	0	2	0
Florida	0	3	0
Georgia	0	3	0
Indiana	0	1	0
Kentucky	0	1	0
Missouri	0	1	0
New Jersey	0	1	0
North Carolina	0	4	0
Ohio	0	2	0
Pennsylvania	0	3	0
Tennessee	0	1	0
Texas	1	3	0
Utah	0	1	0
Total	1	27	0

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

Exhibit 4 contains a complete listing of all current franchisees (and the addresses and telephone numbers of their operations) as of our last fiscal year.

Exhibit 4 also contains a list of the name, city and state, and the current telephone number (or if unknown, the last known home telephone number) of every individual franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document.

Some franchisees have signed confidentiality clauses during the last three fiscal years. We may have current or former franchisees who have signed confidentiality agreements. In some instances, the identity of such franchisees may not be disclosed to you. There may be franchisees who have information relevant to your purchase of a franchise. The existence of a confidentiality agreement should be taken into account in evaluating any information you receive from a franchisee.

There are no independent trademark-specific franchisee organizations associated with the franchise system being offered that have asked to be included in this Disclosure Document.

ITEM 21

FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit 1 is our audited balance sheet as of August 14, 2025 and our audited financial statements dated April 15, 2026. We have not been in business for three years or more and cannot include all financial statements required for Item 21. Our fiscal year end is December 31.

ITEM 22

CONTRACTS

The following agreements are attached to this Disclosure Document:

Exhibit 2: Franchise Agreement with the following Schedules:

A. Data Sheet
B. Personal Guaranty
C. Electronic Transfer of Funds Authorization
D. Power of Attorney and Assignment of Telephone Number Agreement
E. Credit Card Authorization
F. Form of Confidentiality Agreement and Personal Covenants Agreement
G. Acknowledgment Addendum to Franchise Agreement

Exhibit 7: Software License Agreement

ITEM 23

RECEIPTS

Two (2) copies of an acknowledgment of your receipt of this Disclosure Document appear as **Exhibit 7**. Please return one copy to us and retain the other for your records.

EXHIBIT 1
FINANCIAL STATEMENTS

LIFTOLOGY FRANCHISE CORPORATION

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2025

KEZOS & DUNLAVY
Certified Public Accountants
& Business Advisors

LIFTOLOGY FRANCHISE CORPORATION

Table of Contents

KEZOS & DUNLAVY
Certified Public Accountants
& Business Advisors
1240 E 100 S #3
St George, UT 84790
(435) 656-0360

Independent Auditor's Report

To the Stockholders
Liftology Franchise Corporation
Salt Lake City, Utah

Opinion

We have audited the accompanying financial statements of Liftology Franchise Corporation, which comprise the balance sheet as of December 31, 2025 and the related statements of operations, stockholders' deficit, and cash flows for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Kezos & Dunlavy

St. George, Utah
April 15, 2026

LIFTOLOGY FRANCHISE CORPORATION
BALANCE SHEET
As of December 31, 2025

		2025
Assets		
Current assets		
Cash and cash equivalents	$	239,343
Accounts receivable		45,800
Total current assets		285,143
Non-current assets		
Right of use asset		186,123
Equipment, net		67,392
Security deposit		15,879
Total non-current assets		269,394
Total assets	$	554,537
Liabilities and Stockholders' Deficit		
Current liabilities		
Accounts payable and accrued expenses	$	85,000
Credit card liability		1,306
Note payable to shareholder		458,058
Operating lease liability, current		37,627
Note payable, current		66,667
Deferred revenue, current		54,799
Total current liabilities		703,457
Non-current liabilities		
Operating lease liability, non-current		192,879
Note payable, non-current		133,333
Deferred revenue, non-current		65,174
Total non-current liabilities		391,386
Total liabilities		1,094,843
Stockholders' deficit		
Common stock - 1,000,000 shares authorized, issued, and outstanding		100
Accumulated deficit		(540,406)
Total stockholders' deficit		(540,306)
Total liabilities and stockholders' deficit	$	554,537

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

LIFTOLOGY FRANCHISE CORPORATION
STATEMENT OF OPERATIONS
For the year ended December 31, 2025

	2025
Operating revenue	
Initial franchise fees	$ 520
Total operating revenue	520
Operating expenses	
General and administrative	252,562
Professional fees	190,307
Advertising and marketing	79,999
Commissions	10,000
Total operating expenses	532,868
Loss from operations	(532,348)
Non-operating expenses	
Interest expense	8,058
Total non-operating expenses	8,058
Net loss	$ (540,406)

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

LIFTOLOGY FRANCHISE CORPORATION
STATEMENT OF STOCKHOLDERS' DEFICIT
For the year ended December 31, 2025

	Common Stock	Accumulated Deficit	Total
Balance as of Inception	$ -	$ -	$ -
Issuance of common stock	100	-	100
Net loss	-	(540,406)	(540,406)
Balance as of December 31, 2025	$ 100	$ (540,406)	$ (540,306)

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

LIFTOLOGY FRANCHISE CORPORATION

STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

		2024
Cash flow from operating activities:		
Net loss	$	(540,406)
Adjustments to reconcile net loss to		
net cash used in operating activities:		
Depreciation		3,547
Changes in operating assets and liabilities:		
Accounts receivable		(45,800)
Security deposit		(15,879)
Operating lease asset and liability		44,383
Credit card liability		85,000
Accrued expenses		1,306
Deferred revenue		119,973
Net cash used in operating activities		(347,876)
Cash flows from investing activities:		
Purchase of property and equipment		(70,939)
Net cash used in investing activities		(70,939)
Cash flows from financing activities:		
Draws on note payable to shareholder		458,058
Draws on note payable		200,000
Issuance of common stock		100
Net cash provided by financing activities		658,158
Net change in cash		239,343
Cash at the beginning of the year		-
Cash at the end of the year	$	239,343
Supplementary disclosures of cash flows		
Cash paid for interest	$	-

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

LIFTOLOGY FRANCHISE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

(1) Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Business

Liftology Franchise Corporation (the “Company") was formed on June 17, 2025, as a Utah corporation, and is headquartered in Salt Lake City, Utah. The Company was formed for the primary purpose of selling and supporting the Liftology franchise system.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year. The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

(b) Accounting Standards Codification

The Financial Accounting Standards Board (“FASB”) has issued the FASB Accounting Standards Codification (“ASC”) that became the single official source of authoritative U.S. generally accepted accounting principles (“GAAP”), other than guidance issued by the Securities and Exchange Commission (“SEC”), superseding existing FASB, American Institute of Certified Public Accountants, Emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

(c) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

(d) Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. The Company maintains its cash in bank deposit accounts which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

(e) Accounts Receivable

Accounts receivable are recorded for amounts due based on the terms of executed franchise agreements for franchise sales, royalty fees, and service fees. These receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of outstanding amounts. When determining the allowance for doubtful receivable, the Company has adopted ASC 326, *Financial Instruments—Credit Losses*. This standard requires that management utilize the Current Expected Credit Losses (“CECL”) model to recognize the appropriate allowance for doubtful receivables. This model requires entities to estimate and recognize expected credit losses over the life of the financial instrument. For trade receivables, management has elected to apply a simplified approach, based on historical loss experience and adjustments for current and forecasted economic conditions. Management regularly evaluates individual customer receivables, considering their financial condition, credit history and current economic conditions. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as income when received. As of December 31, 2025, the Company had no allowance for doubtful accounts.

(f) Property and Equipment

Property and equipment are stated at historical cost and are depreciated using the straight-line method over the estimated useful lives of related assets. The useful lives are generally 5 years.

(g) Long Lived Assets

Long–lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the difference between the carrying amount of the asset and the fair value of the asset.

(h) Revenue Recognition

The Company has adopted ASC 606, Revenue from Contracts with Customers. ASC 606 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the considerations expected to be received for those goods or services. In implementing ASC 606, the Company evaluated all revenue sources using the five-step approach: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price, and recognize revenue. For each franchised location, the Company enters into a formal franchise agreement that clearly outlines the various components of the transaction price and the Company's performance obligations.

The Company's revenues consist of initial franchise fees and royalties based on a percentage of gross revenues.

Royalty revenue

Upon evaluation of the five-step process, the Company has determined that royalty fees are to be recognized in the same period as the underlying sales, in accordance with the sales-based royalty exception.

Initial franchise fees

The Company is required to allocate the transaction price associated with initial franchise fees between the franchise license and associated performance obligations. In identifying the associated performance obligations, the Company has elected to adopt the practical expedient for private company franchisors outlined in ASC 952-606, *Franchisors—Revenue from Contracts with Customers*. In addition, the practical expedient allows franchisors to account for pre-opening services as a single distinct performance obligation, which the Company has elected to adopt. These pre-opening services include the following (which the Company may or may not provide all of):

- Assistance in the selection of a site
- Assistance in obtaining facilities and preparing the facilities for their intended use, including related financing, architectural, and engineering services, and lease negotiation
- Training of the franchisee's personnel or the franchisee
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping
- Bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes about local regulations affecting the franchisee's business
- Inspection, testing, and other quality control programs

For initial franchise fees, the Company recognizes revenue attributable to pre-opening services when those services have been provided (generally when the franchisee has begun operations). The remaining initial fee is then recognized on a straight-line basis over the life of the agreement, which is generally 10 years.

(i) Income Taxes

The Company is structured as a corporation under the laws of the state of Utah. The Company is subject to federal and state income taxes in the United States.

The Company has adopted the liability method of accounting for income taxes ASC 740, *Income Taxes*. Under ASC 740, deferred income taxes are recorded to reflect tax consequences on future years for the differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end. Deferred tax assets, including tax loss and credit carryforwards, and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Deferred income tax expense represents the change during the period in the deferred tax assets and deferred tax liabilities. The components of the deferred tax assets and liabilities are individually classified as current and non-current based on their characteristics. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Company adopted the provisions ASC 740-10-25, *Accounting for Uncertainty in Income Taxes*. This provision prescribes recognition thresholds that must be met before a tax position is recognized in the financial statements and provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. Under the provision, an entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold.

Based on its evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements. The Company's evaluation was performed for the tax years ended December 31, 2024 and 2023. The Company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2025, no tax years were open to examination.

(j) Leasing

The Company adopted ASC 842, *Leases* upon inception. The Company has an operating lease for office space, recording a right-of-use assets and associated lease liability. The lease liability reflects the present value of the Company's estimated future minimum lease payments over the lease term, discounted using a collateralized incremental borrowing rate. The impact of ASC 842 is non-cash in nature and does not affect the Company's cash flows.

The Company has made an accounting policy election not to recognize right-of-use assets and lease liabilities that arise from any of its short-term leases. All leases with a term of 12 months or less at commencement, for which the Company is not reasonably certain to exercise available renewal options that would extend the lease term past 12 months, will be recognized on a straight-line basis over the lease term.

(k) Advertising Costs

The Company expenses advertising costs as incurred. Advertising expenses for the year ended December 31, 2025 were $79,999.

(l) Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, accounts payable, and credit card liabilities, the carrying amounts approximate fair value due to their short maturities. Related party transactions may not be stated at fair market value.

(2) Equipment

As of December 31, 2025, equipment consisted of the following:

		2025
Leasehold improvements	$	45,800
Furniture and fixtures		25,139
		70,939
Accumulated depreciation		(3,547)
	$	67,392

Depreciation expense for the year ended December 31, 2025 was $3,547.

(3) Security Deposit

The Company has entered into an operating lease agreement with a third party, which commenced on October 1, 2025. As part of the agreement, the Company paid a security deposit of $15,879, which is expected to be refunded, and is classified as a non-current asset.

(4) Note Payable to Shareholder

On August 14, 2025, the Company entered into a Revolving Demand Promissory Note with a shareholder. The note has a limit of $500,000 and accrues interest at an annual rate of 8%. The note is due upon demand and has been classified as a current liability. As of December 31, 2025, the balance due was $458,058.

(5) Operating Lease

During the year ended December 31, 2025, the Company entered into an operating lease with a third party for office space. The lease matures in 2030. As of December 31, 2025, the Company recorded a right of use asset of $186,123. The Company had the following operating lease liability as of December 31:

		2025
Operating lease liability, current	$	37,627
Operating lease liability, non-current		192,879
	$	230,506

As of December 31, 2025, the future minimum lease payments under non-cancelable operating leases are as follows:

For the year ended December 31,		
2026	$	56,856
2027		58,562
2028		60,319
2029		62,128
2030		47,637
Total lease payments		285,502
Less: amounts representing interest (discount rate of 9%)		(54,996)
Total operating lease liability	$	230,506

(6) Accrued Liabilities

The Company records estimates for expenses incurred during the period that have not yet been invoiced as of the balance sheet date. These include professional service fees such as legal and consulting costs. Management believes the accrued amounts are adequate to cover such obligations as of year-end.

(7) Franchise Agreements

The Company's franchise agreements generally provide for payment of initial fees as well as continuing royalties to the Company based on a percentage of sales. Under the franchise agreement, franchisees are granted the right to operate a location using the Liftology system for a period of ten years. Under the Company's revenue recognition policy, the Company allocates a portion of the initial franchise fee to pre-opening services, which is recognized those services are performed (generally when the franchisee begins operations). The remainder is deferred, and the revenue is amortized over the life of the contract. In addition, the Company defers related contract costs such as broker commissions over the same period and records them as deferred contract costs.

Disaggregated franchise fee revenue based on the satisfaction of performance obligations in the Company's contracts with franchisees is as follows for the years ended December 31:

	2025
Performance obligations satisfied at a point in time	$ -
Performance obligations satisfied over the life of the contract	520
Total initial franchise fee revenue	$ 520

The Company's deferred revenue activity is as follows for the years ended December 31:

	2025
Beginning deferred revenue	$ -
Additions	120,493
Revenue recognized from beginning deferred revenue	-
Revenue recognized from contracts executed in the current year	(520)
Ending deferred revenue	$ 119,973
Deferred revenue, current	$ 54,799
Deferred revenue, non-current	65,174
	$ 119,973

(8) Note Payable

During the year ended December 31, 2025, the Company entered into a note with a third party with an initial principal balance of $200,000. The loan requires annual payments of $66,667 plus accrued interest, which accrues at an annual rate of 10%. The note matures on November 30, 2028. The current portion represents the estimated principal payments due over the coming twelve-month period.

(9) Income Taxes

As of December 31, 2025, the components of the deferred income tax asset and provision for income taxes are as follows:

		2025
Deferred tax asset		
Net operating loss roll-forward	$	132,696
Allowance on net operating loss		(132,696)
Net deferred tax asset	$	-
Tax expense at Federal statutory rate	$	(113,485)
State tax, net of Federal		(24,318)
Allowance on deferred tax asset		137,803
Total provision for income taxes	$	-

(10) Commitments and Contingencies

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC 450, *Contingencies*, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is “probable” and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is “probable” but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is “reasonably possible,” disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are “remote” are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

(11) Subsequent Events

Management has reviewed and evaluated subsequent events through April 15, 2026, the date on which the financial statements were available to be issued.

LIFTOLOGY FRANCHISE CORPORATION

FINANCIAL STATEMENT
WITH INDEPENDENT AUDITOR'S REPORT

AS OF AUGUST 14, 2025

KEZOS & DUNLAVY
Certified Public Accountants
& Business Advisors

LIFTOLOGY FRANCHISE CORPORATION

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KEZOS & DUNLAVY
Certified Public Accountants
& Business Advisors

Independent Auditor's Report

To the Shareholders
Liftology Franchise Corporation
Salt Lake City, Utah

Opinion

We have audited the accompanying financial statement of Liftology Franchise Corporation, which comprises the balance sheet as of August 14, 2025, and the related notes to the financial statement.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Liftology Franchise Corporation as of August 14, 2025, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statement is available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

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

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

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Kezos & Dunlavy

St. George, Utah
September 30, 2025

LIFTOLOGY FRANCHISE CORPORATION
BALANCE SHEET
As of August 14, 2025

		2024
Assets		
Current assets		
Cash and cash equivalents	$	113,823
Prepaid expenses		4,703
Subscription receivable		100
Total current assets		118,626
Non-current assets		
Security deposit		15,879
Total non-current assets		15,879
Total assets	$	134,505
Liabilities and Stockholders' Deficit		
Current liabilities		
Credit card liability	$	1,153
Accrued liabilities		14,695
Note payable to shareholder		150,000
Total current liabilities		165,848
Total liabilities		165,848
Stockholders' deficit		
Common stock - 1,000,000 shares authorized, issued, and outstanding		100
Accumulated deficit		(31,443)
Total stockholders' deficit		(31,343)
Total liabilities and member's equity	$	134,505

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

(1) Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Business

Liftology Franchise Corporation (the "Company") was formed on June 17, 2025, as a Utah corporation, and is headquartered in Salt Lake City, Utah. The Company was formed for the principal purpose of selling and supporting the Liftology franchise system.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year.

(b) Accounting Standards Codification

The Financial Accounting Standards Board ("FASB") has issued the FASB Accounting Standards Codification ("ASC") that became the single official source of authoritative U.S. generally accepted accounting principles ("GAAP"), other than guidance issued by the Securities and Exchange Commission ("SEC"), superseding existing FASB, American Institute of Certified Public Accountants, emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

(c) Use of Estimates

The preparation of financial statement in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

(d) Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and accrued expenses, the carrying amounts approximate fair value due to their short maturities.

(e) Concentration of Risk

The Company maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

(f) Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. As of August 14, 2025, the Company had cash and cash equivalents of $113,823.

(g) Leases

The Company has made an accounting policy election not to recognize right-of-use assets and lease liabilities that arise from any short-term leases. All leases with a term of 12 months or less at commencement, for which the Company is not reasonably certain to exercise available renewal options or to enter into new leases that would extend the lease term past 12 months, will be recognized on a straight-line basis over the lease term.

(h) Income Taxes

The Company is structured as a corporation under the laws of the state of Utah. The Company is subject to federal and state income taxes in the United States.

The Company has adopted the liability method of accounting for income taxes ASC 740, *Income Taxes*. Under ASC 740, deferred income taxes are recorded to reflect tax consequences on future years for the differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end. Deferred tax assets, including tax loss and credit carryforwards, and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Deferred income tax expense represents the change during the period in the deferred tax assets and deferred tax liabilities. The components of the deferred tax assets and liabilities are individually classified as current and non-current based on their characteristics. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Company adopted the provisions ASC 740-10-25, *Accounting for Uncertainty in Income Taxes*. This provision prescribes recognition thresholds that must be met before a tax position is recognized in the financial statements and provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. Under the provision, an entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold.

Based on its evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements. The Company’s evaluation was performed as of August 15, 2025. The Company’s income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of August 15, 2025, no tax years were open to examination.

(2) Prepaid Expenses and Security Deposit

The Company has entered into an operating lease agreement with a third party, which commences on October 1, 2025. As part of the agreement, the Company prepaid rent of $4,703 which has been recorded as pre-paid rent until the first month of the lease ends. The Company also paid a security deposit of $15,879, which is expected to be refunded, and is classified as a non-current asset.

(3) Stockholders’ Equity

The Company is authorized to issue 1,000,000 shares of common stock, with a par value of $0.0001 per share.

Upon inception, the Company issued 1,000,000 shares of common stock to its stockholders in exchange for $100 of initial capital contributions. As of August 14, 2025, the funds have not yet been received. In accordance with ASC 505-10-45-2, the unfunded shares are presented as a subscription receivable, which is classified as a current asset on the balance sheet.

(4) Note Payable to Shareholder

On August 14, 2025, the Company entered into a Revolving Demand Promissory Note with a shareholder. The note has a limit of $500,000, accrues interest at an annual rate of 8%. The note is due upon demand and has been classified as a current liability. As of August 14, 2025, the balance due was $150,000.

(5) Accrued Liabilities

The Company records estimates for expenses incurred during the period that have not yet been invoiced as of the balance sheet date. These include professional service fees such as legal, audit, and consulting costs. Management believes the accrued amounts are adequate to cover such obligations as of year-end.

(6) Income Taxes

As of August 14, 2025, the components of the Company's deferred income tax asset and provision for income taxes are as follows:

	2024
Deferred tax asset	
Net operating loss roll forward	$ 4,133
Allowance on net operating loss	(4,133)
Net deferred tax asset	$ -
Tax expense at federal statutory rate	$ (3,354)
State tax, net of federal effect	(779)
Allowance on net deferred tax asset	4,133
Total provision for income taxes	$ -

(7) Commitments and Contingencies

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC Topic 450 Contingencies, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is "probable" and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is "probable" but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is "reasonably possible," disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are "remote" are neither accounted for nor disclosed.

Next Day Access, LLC v. Gardner et. Al.

On September 2, 2025, Next Day Access, LLC and Best Life Brands, LLC (collectively, the "Plaintiffs") filed a lawsuit in the Third Judicial District Court, Salt Lake County, Utah, against the Company. The complaint asserts claims of misappropriation of trade secrets, civil theft and conversion, tortious interference, and related causes of action. The claims arise from allegations that a former employee of Plaintiff Next Day Access, LLC ("NDA") misappropriated confidential, proprietary, and trade secret information belonging to NDA upon his departure and provided such information to the Company. The complaint seeks injunctive relief and damages.

The Company denies any wrongdoing and is actively working to resolve this matter. As of the date of these financial statements, the Company is unable to determine the likelihood of an unfavorable outcome or the potential range of loss, if any, that may result from this litigation. Accordingly, no liability has been recorded in the accompanying financial statements.

(8) Subsequent Events

Management has reviewed and evaluated subsequent events through September 30, 2025, the date on which the financial statement were available to be issued.

EXHIBIT 2
FRANCHISE AGREEMENT WITH SCHEDULES

LIFTOLOGY FRANCHISE CORPORATION

FRANCHISE AGREEMENT

LIFTOLOGY FRANCHISE CORPORATION

FRANCHISE AGREEMENT

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SCHEDULES

LIFTOLOGY FRANCHISE CORPORATION

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "**Agreement**") is made by and between LIFTOLOGY Franchise Corporation, a Utah corporation ("**we**" or "**Franchisor**"), and Franchisee as identified on the Data Sheet ("**Data Sheet**") attached hereto ("**you**" or **Franchisee**"), with reference to the following facts:

A. Franchisor has the right to license the use of certain trademarks, trade names, service marks, designs, emblems, logos, graphics, slogans, copyrights, trade dress, trade secrets, Confidential Information, commercial symbols and other indicia of origin including, but not limited to, the mark "**LIFTOLOGY"** and any and all revisions, modifications and additions thereto.

B. Franchisor has developed a System for the ownership and operation of a Liftology business that offers mobility equipment and related home and commercial accessibility solutions for individuals with disabilities and limited mobility. This includes the evaluation, sale, installation, and service of mobility and accessibility equipment, including, without limitation, stairlifts, ramps, patient lifts, vehicle lifts, vertical platform lifts, pool lifts, grab bars and residential elevators, as well as related accessibility-focused home or commercial modifications, and such other products and services as we may designate from time to time (the "**Liftology Business**").

C. Franchisor desires to grant, and Franchisee wishes to obtain, the right and license to operate an independently owned and operated Liftology Business (the "**Franchised Business**") using the Marks, the Manuals and Confidential Information in strict accordance with the System within the area identified by certain contiguous zip/postal codes on the Data Sheet (the "**Licensed Service Area**").

NOW, **THEREFORE**, **IT IS AGREED**

1 **<u>DEFINED TERMS.</u>** For purposes of this Agreement, the terms below have the following definitions:

1.1 "**<u>Default</u>**" or "**<u>default</u>**" shall mean any breach of, or failure to comply with, any of the terms or conditions of an agreement between Franchisee and Franchisor including failure to comply with mandatory specifications in the Manuals.

1.2 "**<u>Entity</u>**" shall mean any limited liability company, partnership, trust, association, corporation or other entity that is not an individual as set forth on the Data Sheet.

1.3 "**<u>Gross Revenue</u>**" means all revenue, receipts, and amounts generated from the sale of any products, services, or merchandise associated with the Franchised Business or otherwise pursuant to this Agreement, whether under the Marks or otherwise, and regardless of where or how such products or services are provided, together with all other income of any kind derived from or connected to the Franchised Business, including proceeds from business interruption insurance, whether paid in cash, on credit, or otherwise (including amounts not yet collected). Gross Revenue does not include sales or use taxes or similar taxes collected from customers and remitted to the appropriate taxing authority, rebates or promotional allowances received in connection with the purchase of equipment or supplies, or bona fide customer refunds and adjustments.

1.4 **"<u>Managing Owner</u>"** means an individual who: (i) owns a direct equity interest in Franchisee of not less than 10% at all times during the term of this Agreement; (ii) is actively involved in and responsible for the day-to-day management, supervision, and oversight of the Franchised Business on a full-time basis; (iii) has successfully completed Franchisor's initial training program to Franchisor's satisfaction; and (iv) has been approved by Franchisor in writing as the Managing Owner of the Franchised Business. Franchisee shall have one designated Managing Owner at all times during the term of this Agreement. The Managing Owner must devote his or her full time and best efforts to the management and operation of the Franchised Business and may not engage in any other business activity that Franchisor determines, in its sole discretion, conflicts with or detracts from the Managing Owner's obligations hereunder. Any change in the identity of the Managing Owner is subject to Franchisor's prior written approval and the satisfaction of all applicable transfer requirements set forth in this Agreement.

1.5 "**Manuals**" shall mean any collection of written, video, audio and/or software media (including materials distributed electronically), regardless of title and consisting of various subparts and separate components, all of which Franchisor or its authorized representatives produce and that contain System Standards and recommendations for the Franchised Business, all of which Franchisor may change from time to time.

1.6 "**Marks**" means the trademarks, trade names, service marks, designs, emblems, logos, graphics, slogans, copyrights, trade dress, trade secrets, commercial symbols and other indicia of origin including, but not limited to, any logo and the mark "**LIFTOLOGY"** and any and all revisions, modifications and additions thereto, whether or not recorded or registered with the United States Patent and Trademark Office or any other local, state, federal or foreign agency, registrar or body.

1.7 "**Owner**" means any person or entity who, now or hereafter, directly or indirectly owns an interest in the franchisee when the franchisee is a corporation, limited liability company, or a similar entity other than a partnership entity. If the franchisee is a partnership entity, then each general partner is an Owner, regardless of the percentage of ownership interest. If the franchisee is one or more individuals, each individual is an Owner of the franchisee. Your Owner(s) are identified on the Data Sheet. Every time there is a change in the persons who are your Owners, you must, within 10 days from the date of each such change, update the Data Sheet. As used in this Agreement, any reference to Owner includes all Owners.

1.8 **"Products and Services"** shall mean those mobility equipment products and related home and commercial accessibility solutions authorized by Franchisor to be sold to consumers in connection with the Franchised Business and associated with the LIFTOLOGY Marks, including, without limitation, the evaluation, assessment, consultation, estimation, sale, installation, and service of mobility and accessibility equipment (including stairlifts, ramps, patient lifts, vehicle lifts, vertical platform lifts, pool lifts, grab bars, and residential elevators), as well as accessibility-focused home modifications, general home improvement and maintenance services for individuals with disabilities and limited mobility, and such other products and services as Franchisor may designate from time to time.

1.9 "**Reasonable Business Judgement**" shall mean if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended, in whole or significant part, to promote or benefit the System (as defined below) generally even if the decision or action also promotes our financial or other individual interest. Examples of items that will promote or benefit the System include, without limitation, enhancing the value of the LIFTOLOGY Marks, improving customer service and satisfaction, improving product and service quality, improving uniformity, enhancing or encouraging modernization and improving the competitive position of the System.

1.10 "**Reporting Period**" shall mean the monthly calendar period from the 1st of the month to the last day of the month (unless we designate otherwise).

1.11 "**System**" shall mean Franchisor's proprietary system for operating the Franchised Business, including specifications, required equipment, defined service and product offerings, standard operating, administrative, management, and technical procedures and training programs, all of which Franchisor may revise, improve, modify, discontinue, or otherwise change from time to time.

1.12 **"System Standards"** shall mean specifications, standards, policies, and procedures required to operate the Franchised Business as memorialized in the Manual or otherwise in writing.

1.13 "**Transfer**" shall mean any direct or indirect assignment or transfer of this Franchise Agreement, any sale or transfer of the Franchised Business or any of its assets, and any sale, assignment, transfer, or issuance of any ownership interest in Franchisee.

2 FRANCHISE APPOINTMENT. The following provisions control with respect to the license granted hereunder:

2.1 Grant of Franchise.

2.1.1 Franchisor hereby grants and Franchisee accepts a license to use the Marks and System to offer Products and Services within the Licensed Service Area subject to the terms and conditions of this Agreement. As long as Franchisee is materially compliant with this Agreement, Franchisor will not grant another franchise location in the Licensed Service Area during the Term. For purposes of this Section, "material compliance" means that Franchisee: (a) is not in default under the Franchise Agreement that has remained uncured after applicable notice and cure periods; (b) is current on all required payments to us; and (c) is operating the Franchised Business in accordance with the system standards, Manuals, and other material obligations of this Agreement. Franchisor will not withhold territorial protection based on minor or technical violations that do not materially affect the operation of the Franchised Business.

(1) Franchisee must establish and continuously maintain a business office and warehouse location (the "**Franchise Location**") within the Licensed Service Area identified on the Data Sheet, which location shall be subject to Franchisor's prior written approval and must comply with Franchisor's System standards, Manuals, and other written requirements; provided that if the boundaries of any postal codes comprising the Licensed Service Area change for any reason, the Licensed Service Area shall be deemed to remain the same geographic boundaries as existed on the Agreement Effective Date. Franchisee shall submit any proposed Franchise Location, including any proposed lease, to Franchisor for review and shall not execute any lease or occupy any location without Franchisor's prior written approval. Franchisor reserves the right to require that any lease contain such provisions as Franchisor may reasonably require. Home-based locations or storage units shall not be permitted without Franchisor's prior written consent. Franchisee shall operate the Franchise Location during normal business hours and maintain adequate staffing to receive deliveries and accommodate customer visits. Franchisor shall notify Franchisee whether a proposed location is approved or disapproved within thirty (30) days after receipt of all required information and failure by Franchisee to obtain an approved location, or inability of the parties to agree on a location, may result in termination of this Agreement and forfeiture of applicable fees as permitted herein. Franchisee shall not relocate the Franchise Location without Franchisor's prior written approval and must provide advance written notice of any proposed relocation.

(2) If Franchisee operates in multiple non-contiguous Licensed Service Areas, Franchisee must establish and maintain a separate approved Franchise Location within

each such area. In limited circumstances, if required by Google or another Franchisor-designated marketing or search engine optimization vendor, Franchisee and Franchisor shall cooperate in establishing a secondary location within the Licensed Service Area in accordance with System standards, provided such requirement shall not apply during the first year of operation.

(3) Franchisor reserves the right to require Franchisee to update, renovate, or modify the Franchise Location to conform to then-current System standards; however, such updates shall not be required more frequently than once every four (4) years. Franchisee's failure to maintain or operate the Franchise Location in compliance with this Agreement shall constitute a default subject to applicable notice and cure provisions.

(4) Franchisee may not conduct the Franchised Business or offer any Products and Services associated with the Franchised Business in another Franchisee's, or Franchisor's or its Affiliate's licensed service area or in any territory in which Franchisor or Franchisor's affiliate(s) operate. Nor are you permitted to engage in target marketing efforts directly to customers in another franchisee's licensed service area. Franchisee shall not engage in any solicitation, advertising, marketing, or promotional activities outside its Licensed Service Area, whether directly or indirectly, without Franchisor's prior written consent. For purposes of this Agreement, "solicitation" includes, without limitation, in-person contact, telephone calls, targeted mailings, email communications, text messages, or the distribution of promotional or marketing materials, as well as digital and online marketing activities such as targeted or location-based advertising (including Google Ads/PPC and similar search engine marketing), paid social media advertising, geofencing, retargeting campaigns, lead generation programs, directory or marketplace listings, and any other internet-based or electronic communications, in each case directed at or intended to reach customers located in another franchisee's Licensed Service Area. If Franchisor authorizes Franchisee to perform services or installations outside Franchisee's Licensed Service Area, such authorization may be withdrawn at any time. If Franchisee receives an inquiry or request for Products or Services from a customer located outside Franchisee's Licensed Service Area, Franchisor may require that the opportunity be referred to the franchisee responsible for that territory or be reassigned by us. However, franchisees may perform services outside their Licensed Service Area, when permitted by Franchisor, when serving existing customers, or when fulfilling assignments from Franchisor. For purposes of determining whether a customer is located within a Licensed Service Area, the customer's physical service address will control rather than the ZIP Code used for mailing purposes. If a question arises regarding whether a customer location falls within a particular Licensed Service Area, we will make the final determination in its reasonable discretion. If Franchisor consents to Licensed Service Area making sales outside of your Licensed Service Area, Franchisee must immediately cease doing so if Franchisor subsequently withdraws its consent. If Franchisor allows Franchisee to conduct business in a geographic area that has not yet been assigned to a franchisee, and Franchisor later awards a franchise for that area to another party, Franchisee must promptly discontinue soliciting new customers within that area. However, Franchisee may continue to provide services to customers located there with respect to existing orders, projects, or contractual obligations that arose prior to the assignment of the territory. Franchisee must provide Franchisor with all relevant information regarding customers located in the formerly unassigned area so that such information may be shared with the newly appointed franchisee. In addition, Franchisee's Gross Revenue derived from customers located outside the Licensed Service Area during any calendar year may not exceed ten percent (10%) of your total Gross Revenue for that year. In the event the territory is not licensed to another franchisee or

Franchisor's affiliate (an "**Open Area**"), Franchisee may conduct the service. In this circumstance, any contact information for the client must be given to the new franchisee at such time as that Open Area becomes licensed. Franchisee may not continue to market to that client.

(5) Conducting the Franchised Business in another franchisee's licensed service area will result in a fine of $1,000 per occurrence payable to Franchisor, due upon demand. This penalty is in addition to, not in lieu of, Franchisor's right to terminate Franchisee for said conduct. Further, if Franchisor receives a complaint regarding Franchisee encroaching upon another franchisee's territory or Franchisor's affiliate's territory, any confidentiality that may attach to records, reports or forms pursuant to Section 5.6 contained herein is deemed waived by Franchisee. Each such violation constitutes a separate event, and payment of this amount does not limit our right to seek additional remedies.

2.1.2 In consideration of Franchisor's agreement to grant the franchise, Franchisee at all times shall use its best efforts to promote and increase the sales and service of the Franchised Business and promote the System overall and to effect the widest and best possible distribution and services associated with the Franchised Business. Under no circumstances shall Franchisee sublicense, sublease, subcontract or enter any management agreement for the right to operate a Liftology Business or to use the System.

2.1.3 Minimum Performance Requirement.

(1) Franchisee must achieve the minimum annual Gross Revenue thresholds set forth in the Data Sheet (the "**Minimum Performance Requirements**") for each applicable year of operations. Franchisor will determine, in its sole discretion, whether Franchisee has met the applicable Minimum Performance Requirement for each year based on Franchisee's reported Gross Revenue and the applicable metrics set forth in the Data Sheet.

(2) *Annual True-Up*. At the conclusion of each anniversary year of Franchisee's opening date, Franchisor will reconcile Franchisee's actual annual Gross Revenue against the applicable Minimum Performance Requirement for that year (the "**Annual True-Up**"). Franchisor will issue an invoice to Franchisee within the first quarter following Franchisee's opening anniversary date setting forth the results of the Annual True-Up. Any underpayment of royalties identified in the Annual True-Up shall be due and payable within ninety (90) days of Franchisee's opening anniversary date and will be withdrawn from Franchisee's designated bank account via ACH debit. Franchisee hereby authorizes Franchisor to initiate such ACH debit without further notice or approval from Franchisee. Franchisee's True-Up payment obligation is not suspended, deferred, or reduced by the pendency of any Performance Improvement Plan.

(3) *Performance Improvement Plan*. If Franchisee fails to meet the applicable Minimum Performance Requirement at the conclusion of any anniversary year, Franchisor will notify Franchisee of the deficiency and require Franchisee to execute a performance improvement plan within thirty (30) days of such notice (a "**PIP**"). The terms of any PIP shall be established by Franchisor in its sole discretion and may include, without limitation, minimum quarterly revenue targets, required staffing or organizational changes, operational modifications, and increased active involvement by Franchisee's Managing Owner. Franchisee must execute and comply with all terms of the PIP to Franchisor's

satisfaction throughout the three (3) month PIP period. If Franchisee fails to execute the PIP within the required timeframe, or fails to successfully complete the PIP to Franchisor's satisfaction, Franchisor may terminate this Agreement upon written notice to Franchisee without further opportunity to cure. Following completion of the PIP, Franchisee must maintain satisfactory performance consistent with the targets and requirements established during the PIP period, and failure to do so in any three (3) month period following the PIP may constitute grounds for termination upon written notice to Franchisee, in Franchisor's sole discretion.

(4) *Termination for Repeated Deficiency*. Notwithstanding the foregoing, if Franchisee fails to meet the applicable Minimum Performance Requirement in any second anniversary year, whether consecutive or non-consecutive, Franchisor may terminate this Agreement immediately upon written notice to Franchisee without a cure period, PIP, or other remediation opportunity. Upon such termination, Franchisor further reserves the right, in its sole discretion, to terminate the territory protections related to Franchisee's Licensed Service Area and/or reduce the size of Franchisee's Licensed Service Area.

2.2 **Commencement of Operations.** Franchisee agrees to commence operations for the Franchised Business no later than 150 days after the Agreement Effective Date. The date on which Franchisee commences business shall be referred to as the "**Business Effective Date**." Franchisee may not open the Franchised Business until Franchisee has satisfied all pre-opening requirements to Franchisor's satisfaction, including without limitation, payment of all fees owed, compliance with this Agreement and System Standards, completion of all required training and certifications, receipt of all required permits, licenses, and Certificate of Occupancy, procurement of approved insurance, installation vehicle, opening inventory, and wrapped vehicle, establishment of required staffing levels, and Franchisor's approval of Franchisee's showroom plans with construction underway. Franchisee must receive Franchisor's written approval before commencing operations of the Franchised Business. If the Franchised Business has not commenced operations within 150 days after execution of the Franchise Agreement, we reserve the right, in our discretion, to terminate the Franchise Agreement unless we approve a written extension**.** For purposes of this Agreement, Franchisee's fiscal year shall begin on the first day of January and end on the last day of December for so long as this Agreement remains in effect.

2.3 **Nonexclusivity; Franchisor's Reservation of Rights**.

2.3.1 The license granted herein is limited to the right to develop, operate and market the Franchised Business within the Licensed Service Area subject to Franchisee remaining in compliance with this Agreement.

2.3.2 Should Franchisee fail to remain materially compliant with this Agreement (violations of Sections 10.2 and 10.3 of this Agreement), Franchisee shall lose any protection that may otherwise attach by way of the Licensed Service Area. In this event, Franchisor may grant another Liftology franchise within Franchisee's Licensed Service Area upon ten (10) days' written courtesy notice by e-mail.

2.3.3 Further, the license granted herein does not include:

(1) Any right to sell products or services associated with or identified by the Marks at any location outside the Licensed Service Area;

(2) Any right to sell products or services associated with or identified by the Marks through any other channels or methods of distribution, including the Internet (or any other existing or future form of electronic commerce);

(3) Any right to sell products or services other than the Products and Services associated with the Marks that are approved and designated by Franchisor;

(4) Any right to sell Products and Services associated with or identified with the Marks to any person or entity for resale or further distribution, except as we may designate in writing; or

(5) Any right to exclude, control or impose conditions on our development of future franchised, company or affiliate-owned Liftology Businesses at any time or at any location regardless of the proximity to the Licensed Service Area.

2.3.4 Franchisor retains all rights that are not expressly granted to Franchisee under this Agreement. Further, Franchisor may, among other things, on any terms and conditions that Franchisor deems advisable, without compensation to any franchisee, and without granting Franchisee any rights therein:

(1) Own, may own, acquire, establish, operate, or license others to establish and operate Liftology businesses at any location outside the Licensed Service Area.

(2) Own, acquire, establish, operate, or license businesses under other trademarks, brand names, or systems, which may offer products or services that are the same as, similar to, or different from those offered by the Franchised Business and may operate anywhere, including within or outside the Licensed Service Area.

(3) Produce, license, distribute, advertise, and sell Liftology-branded products, merchandise, clothing, souvenirs, novelty items, or other goods through any outlet or distribution channel. These channels may include retail stores, department stores, wholesale arrangements, e-commerce platforms, mail order catalogs, direct marketing, or other methods regardless of their proximity to the Franchised Business.

(4) License other parties to offer additional Products or Services under the Liftology trademarks or system within the Licensed Service Area.

(5) Develop, operate, or license other channels of distribution for Products and Services under the Marks or under other brands. These channels may include, without limitation: toll-free telephone numbers, websites, domain names, URLs, and online platforms, call centers or online networks, kiosks, carts, concessions, and satellite units, mobile, temporary, remote, or non-permanent locations and/or retail or other sales operations now existing or developed in the future. Franchisor may advertise, promote, and sell Products and Services through websites, online platforms, call centers, or other electronic channels.

2.3.5 Franchisor may establish relationships or programs with certain organizations or entities on a regional or national basis (each, a "**Strategic Account**") that require servicing by more than one franchisee, including without limitation healthcare systems, insurance providers, government agencies, senior housing organizations, or other entities. Franchisor has sole discretion to determine whether a customer qualifies as a Strategic Account, the terms of any

Strategic Account arrangement, and which franchisee or service provider will service any Strategic Account. Franchisor may service Strategic Accounts directly or assign them to franchisees regardless of Territory boundaries. The U.S. Department of Veterans Affairs, including the Veterans Health Administration, is hereby designated as a Strategic Account. Franchisor may designate additional Strategic Accounts at any time in its sole discretion without notice to Franchisee.

(1) Franchisee's eligibility to participate in any Strategic Account opportunity is conditioned upon Franchisee being in full compliance with all terms and conditions of this Agreement at the time of the opportunity and at all times during the term of the Strategic Account engagement. A Franchisee that is in default under this Agreement, or that has received a notice of default that has not been fully cured to Franchisor's satisfaction, is not eligible to participate in any Strategic Account opportunity.

(2) Participation in a Strategic Account is further conditioned upon Franchisee's execution of and compliance with such additional agreements, addenda, or terms and conditions as Franchisor may require in connection with the Strategic Account, including without limitation any customer-specific service requirements, confidentiality obligations, pricing terms, and performance standards (collectively, the "**Strategic Account Terms**"). Franchisee's execution of and ongoing compliance with the Strategic Account Terms is a prerequisite to and continuing condition of Franchisee's participation in any Strategic Account.

(3) Franchisor reserves the right to remove Franchisee from a Strategic Account at any time if Franchisee fails to comply with this Agreement, the applicable Strategic Account Terms, or Franchisor's system standards applicable to the Strategic Account. In the event Franchisee is unable or unwilling to participate in a Strategic Account opportunity, or is removed from a Strategic Account for any reason, Franchisor reserves the right, in its sole discretion, to assign or reallocate the Strategic Account work to any other person or entity Franchisor deems appropriate, including without limitation another franchisee in the System, a subcontractor approved by Franchisor, or Franchisor itself. Franchisee shall have no claim to any Strategic Account opportunity, revenue, or customer relationship that is assigned or reallocated pursuant to this Section, and any such assignment or reallocation shall not constitute a breach of this Agreement or give rise to any liability on the part of Franchisor.

3 TERM

3.1 **Initial Term**. The Initial Term shall be a period of ten (10) years from the Agreement Effective Date ("**Term**"), unless sooner terminated in accordance with the provisions of this Agreement.

3.2 **Successor Term**. Franchisee may be eligible for one renewal term of 10 years through a successor franchise agreement ("**Successor Agreement**") provided that the following conditions have been met:

3.2.1 Franchisee shall provide Franchisor with a Notice of Intent of its desire to be considered for a Successor Agreement 120 days prior to the expiration of the Term.

3.2.2 Franchisee shall pay $7,500 as a "**Successor Agreement Fee**" at the time Franchisee executes the Successor Franchise Agreement (which is Franchisor's form of agreement then being used at the time of renewal, which may have different terms than this Agreement).

3.2.3 Franchisee has been throughout the Term, and at the expiration of the Term, still is, in full compliance with this Agreement, and all other agreements between Franchisee and Franchisor.

3.2.4 At Franchisee's sole expense, the Managing Owner or Franchisee's manager may be required to attend marketing, operations and/or another training program as determined by Franchisor in its sole discretion.

3.2.5 Franchisee can demonstrate its participation and engagement in the Liftology franchise system to Franchisor's satisfaction (e.g., marketing, operations, and training programs; meetings/conferences) and has represented the LIFTOLOGY brand in a professional and courteous manner.

3.2.6 Franchisee has complied with any requirements regarding modernization or refurbishment of the Franchise Location as may be necessary for the Franchised Business to conform to the standards then applicable to new Liftology franchises.

3.2.7 Franchisee executes and delivers a general release of Franchisor, and its respective officers, shareholders, directors, employees, agents, representatives and affiliates in a form acceptable to Franchisor.

3.2.8 Franchisor and Franchisee shall have agreed on Franchisee's Licensed Service Area (which is subject to change from that identified in this Agreement).

3.2.9 Franchisee shall sign and return to Franchisor any documents necessary for the Successor Agreement within 20 days after Franchisor has delivered them to Franchisee, including a new franchise agreement in its then-current form (which may contain materially different terms and conditions than this Agreement).

3.2.10 Franchisee shall satisfy all monetary obligations owed Franchisor, its affiliates, and suppliers.

3.2.11 Franchisee shall refurbish and upgrade the Franchise Location and Approved Vehicle to then current specifications.

3.3 **Waiver of Consideration for Successor Agreement**. If Franchisee fails to perform any of the acts, or deliver the Notice of Intent required pursuant to the provisions of Section 3.2.1 above in a timely fashion, such failure shall (1) be deemed an election by Franchisee not to be considered for a Successor Agreement, and (2) cause this Agreement to terminate at the end of Initial Term or Successor Term, as the case may be and require Franchisee to comply with all post-termination obligations as otherwise contained in this Agreement.

3.4 **Holdover Period.** If Franchisee fails to enter into a Successor Agreement prior to the expiration of this Agreement and continues to accept the benefits of this Agreement after the expiration of this Agreement, then at Franchisor's option, this Agreement may be treated either as (i) expired as of the date of expiration with Franchisee then operating a franchise without the right to do so and in violation of Franchisor's rights; or (ii) continued on a month-to-month basis ("**Holdover Period**") until one party provides the other with written notice of such party's intent to terminate the Holdover Period, in which case the Holdover Period will terminate thirty (30) days after receipt of the notice to terminate the Holdover Period. In the latter case, all of Franchisee's obligations shall remain in full force and effect during the Holdover Period as if this Agreement had not expired, and all obligations and restrictions imposed on

Franchisee upon expiration of this Agreement will be deemed to take effect upon termination of the Holdover Period unless the Holdover Period comes to a close with the parties' execution of a successor franchise agreement.

3.5 **Notice Required by Law**. If Applicable Law requires Franchisor to give notice to Franchisee prior to the expiration of the Initial Term or Successor Term, as the case may be, this Agreement shall remain in effect on a week-to-week basis until Franchisor has given the notice required by such Applicable Law. If Franchisor is not offering new franchises, is in the process of revising, amending or renewing its form of franchise agreement or disclosure document, or is not lawfully able to offer Franchisee its then-current form of franchise agreement, at the time Franchisee delivers its Notice of Intent, Franchisor may, in its discretion, (1) offer to renew this Agreement upon the same conditions set forth in Section 3.2 of this Agreement (as applicable), or (2) offer to extend the Initial Term or Successor Term, as the case may be, on a week-to-week basis for as long as it deems necessary or appropriate so that it may lawfully offer its then-current form of franchise agreement or disclosure document.

4 FEES AND PAYMENTS.

4.1 **Initial Franchise Fee, Initial Territory Fee, Initial Marketing Fee, Initial Software Fee and Initial Training Fee.** In consideration of the right, and franchise granted by this Agreement, Franchisee shall pay to Franchisor prior to or concurrently with Franchisee's execution of this Agreement the Initial Franchise Fee, Initial Territory Fee Initial Marketing Fee, Initial Training Fee and Initial Software License Fee identified on the Data Sheet. The Initial Franchise Fee and Initial Territory Fee shall be deemed fully earned by Franchisor upon Franchisor's execution of this Agreement by both parties, and, except as provided in Section 6.1.1 (4) of this Agreement, if applicable, such Initial Franchise Fee and Initial Territory Fee shall not be refundable, in whole or part, at any time or under any circumstances. The Initial Franchise Fee and Initial Territory Fee is in addition to the periodic Royalty Fee and Marketing Contribution payable pursuant to this Agreement and to any other fees or payments which Franchisee may incur or owe to Franchisor from time to time under this Agreement or any other agreements. This Initial Franchise Fee and Initial Territory Fee are not applicable to Successor Agreements. Franchisee shall pay to Franchisor an (i) to cover the costs of the suite of operating software programs.

4.2 **Royalty Fee.** In addition to the fees outlined above and in further consideration of the rights and entitlements granted under this Agreement during the full term of this Agreement, Franchisee must pay Franchisor a "**Royalty Fee**" equal to 7% of Gross Revenue ("**Percentage Royalty Fee**"). Royalty Fee payments received by Franchisor under this Agreement shall be under no restriction whatsoever, but shall be considered general funds of Franchisor to be used for any and all purposes as Franchisor solely determines. If this Agreement expires but Franchisee continues operating the Franchised Business, Franchisor may allow Franchisee to continue on a month-to-month basis, at its discretion. In that case, Franchisee shall pay a Royalty Fee of 10% of Gross Revenue for each month Franchisee operates without executing the successor agreement.

4.3 **Marketing Contribution.** Franchisee must pay Franchisor a monthly marketing contribution in an amount up to 2% of Gross Revenue ("**Marketing Contribution**"). These fees are not held by Franchisor in trust and become Franchisor's property to be spent in accordance with the below provisions.

4.3.1 Franchisor, without seeking or obtaining agreement with Franchisee, and not as a condition to the grant or acceptance of the Franchised Business or rights hereunder, but strictly as a unilateral expression of intention and of business policy designed to enhance the competitive effectiveness and general public acceptance of the LIFTOLOGY name and business, shall use the marketing fund ("**Marketing Fund**") as it shall, in its sole discretion, deem beneficial for the brand. Franchisor intends to use the Marketing Fund to build the reputation, awareness, visibility and acceptance of the LIFTOLOGY name and Marks and the services associated therewith and to provide marketing, advertising and promotional materials and services to benefit the franchise system. Affiliate-owned LIFTOLOGY businesses will not pay a Marketing Contribution. The Marketing Fund is not a trust or escrow account, and Franchisor has no fiduciary obligation to franchisees with respect to the Marketing Fund; provided, however, Franchisor will make a good faith effort to expend such fees in a manner that it determines is in the general best interests of the entire LIFTOLOGY System.

4.3.2 Franchisor undertakes no obligation in using such funds to make expenditures for Franchisee that are equivalent or proportionate to any franchisee's contribution, or to ensure that any particular franchisee benefits directly or proportionately from the placement of advertising or promotional efforts. Franchisor does not have to spend any amount on marketing, advertising, promotion or field work in Franchisee's area. Franchisor has the right to make disbursements from the Marketing Fund for expenses incurred in connection with the cost of formulating, developing and implementing marketing, advertising and promotional campaigns as well as charitable donations. Such expenses may include those associated with brand recognition for franchise sales purposes and assisting franchisees in implementing marketing, advertising, and promotional tools and programs, which may include field visits or other targeted or system-wide marketing efforts at Franchisor's discretion. The disbursements may include payments to Franchisor for the expense of administering the Marketing Fund, including administrative costs, overhead, accounting expenses and salaries and benefits paid to Franchisor's employees engaged in the marketing, advertising and promotion functions. Franchisor shall also be entitled to retroactively reimburse itself for marketing expenses incurred at any time to develop the brand.

4.3.3 Franchisor shall direct all marketing programs financed by such funds with sole discretion over the creative concepts, materials, endorsements, types of media and geographic allocation of media placement. Franchisor has no affirmative obligation to provide any particular Franchisee with an accounting of receipts or disbursements of these funds; however, upon Franchisee's specific written request, Franchisor will provide an annual unaudited statement of the financial condition of the Marketing Fund.

4.4 **Technology Fee, Continuing Education Fee, and Third-Party Call Answering, Lead, and Scheduling Service Provider Fees; CRM Fees**.

4.4.1 Franchisee shall pay to Franchisor a monthly (i) technology fee in the amount identified on the Data Sheet ("**Technology Fee**") beginning on the Business Effective Date as a technology fee for the reasonable costs and fees for required or designated software, technology development, maintenance, and usage, which may include, but not be limited to, designated or required customer relationship management software, to implement a customer survey system, to monitory reputation and reviews online, social media management, and other software necessary to operate the Franchised Business, and Franchisor's maintenance of an intranet; and (ii) CRM Fee in the amount identified on the Data Sheet for said software. Franchisor may adjust these fees on 30 days' notice as technology costs increase or decrease, although the Technology Fee will not increase by more than 25% per year and the CRM Fee will not exceed $1,000 per month for the base five users.

4.4.2 Franchisor may provide or designate a call center to help Franchisee manage telephone communications with customers and potential customers (both inbound and outbound). Franchisee will pay to Franchisor or the designated call center or vendor, as Franchisor reasonably directs, the reasonable cost for this service. At the time that this Agreement was prepared, there is no call center or related call center fee. If implemented, the fees will be due by the same date and in the same manner as the monthly Royalty Fee outlined in this Agreement or as otherwise reasonable determined by Franchisor or the designated vendor. Franchisor may adjust this fee upon 30 days' notice as Franchisor's costs or the costs to the designated vendor for running the call center service either increase or decrease, although any increase will not be more than 25% per calendar year. Regardless of whether done by Franchisor or with the assistance of Franchisor or of a designated vendor, all outbound calling, texting, and marketing communications must be approved by Franchisor before engaging in such activities and must be done in compliance with applicable law.

4.5 **Payments.** Payments for Royalty Fees, Marketing Contributions, Technology Fees, and any other fees owed to Franchisor will be due weekly (or monthly) for the preceding Reporting Period and will be paid by debiting Franchisee's bank account through electronic funds transfer ("**EFT**") or other automatic withdrawal the Franchisor reasonably designates. Additionally, Franchisee authorizes Franchisor to charge any and all fees due, including, without limitation, Meeting Registration Fees, to any credit card submitted and retained on file by Franchisor. Franchisee shall execute whatever authorization forms Franchisor may require from time to time to permit Franchisor to make required payments by electronic transfer of funds or debit of Franchisee's account or to charge a credit card. Franchisee is responsible for updating such information as necessary (e.g. expiration dates, preferred credit card), and at Franchisor's request from time to time.

4.5.1 If Franchisee does not make any payment to Franchisor when due, there shall be a late payment fee of $150 for each overdue payment plus $25 for each day that the payment remains unpaid after the due date. If there are insufficient funds in Franchisee's bank account from which to pay the fee when due, a credit card is rejected, or for any reason Franchisor does not receive its fees by the due date, Franchisee shall be responsible for a $50 delinquent fee payment.

4.5.2 Additionally, If Franchisee fails to pay any amount owed to Franchisor under this Agreement when due, interest will accrue on the unpaid amount from the due date until paid in full at the rate of eighteen percent (18%) per year, or the maximum rate permitted by applicable law, whichever is less. Interest will be calculated on a daily basis on all outstanding amounts and will accrue continuously until the full amount owed, including all accrued interest, is paid in full. All accrued interest is immediately due and payable upon Franchisor's demand. The accrual of interest does not limit or waive any other right or remedy available to Franchisor as a result of Franchisee's failure to make timely payment, including without limitation Franchisor's right to issue a notice of default under this Agreement.

4.5.3 Franchisee shall not delay, withhold or set-off any payments or contributions due under this Agreement against any monetary or other claim Franchisee may have against Franchisor for any reason whatsoever.

4.5.4 Any and all amounts identified as payable pursuant to this Agreement are exclusive of any applicable taxes. Accordingly, if applicable, all payments by Franchisee to Franchisor shall include an amount equal to any taxes mandated by law including, but not limited, sales taxes, excise taxes, use taxes, withholding taxes and similar taxes imposed on the fees payable by Franchisee to Franchisor hereunder and on services or goods furnished to Franchisee by Franchisor, regardless of whether such law imposes the obligation to pay such taxes on Franchisor or Franchisee.

5 REPORTING AND RECORD-KEEPING.

5.1 Reports. Franchisee must utilize bookkeeping and reporting software to which Franchisor has access as an authorized user at all times, including at the time each monthly payment of the Royalty Fee and Marketing Contribution, and must ensure that Gross Revenues and other required information and data stated in the software are true, accurate and complete and accurately state Gross Revenue (as defined in Section 1) in a format specified, approved or provided by Franchisor as identified in the Manuals or otherwise in writing. The provisions in this paragraph shall not constitute a waiver by Franchisor of any other remedies available to it for Franchisee's failure to make timely payments.

5.2 Records. Franchisee shall maintain full, complete and accurate books and records for the Franchised Business using the systems and software that Franchisor designates. The books and records shall clearly and accurately show Gross Revenue as defined herein. Franchisee must keep all books and records and provide to Franchisor access and accurately state and report required information and data as Franchisor periodically requires, including but not limited to a profit plan, balance sheet and statement of profit and loss, statement of cash flows, records of prices and special sales, check registers, purchase records, invoices, sales summaries and inventories, sales tax records and tax returns, payroll records, cash disbursement journals and general ledgers ("**Financial Records**"), all of which accurately reflect the operations and condition of Franchised Business. Franchisee must certify all records and reports to be true and correct. Franchisee must compile, keep and provide access or otherwise submit to Franchisor the books, records and reports according to reporting formats, bookkeeping and accounting methodologies and time schedules that Franchisor establishes from time to time in the Manuals or otherwise in writing. Franchisee also must preserve and retain the books, records and reports for not less than 36 months. Franchisee further agrees and acknowledges that, subject to compliance with applicable law, Franchisor may disclose all data, including the Franchised Business' financial information and operating performance ratings, assessments or similar data with our other franchisees, our affiliates and their franchisees, and prospective franchisees through the use of newsletters, bulletins, award ceremonies, and otherwise as we deem necessary or advisable

5.3 Accounting Software. Franchisee shall be required to purchase accounting software or an online accounting software subscription, as determined by Franchisor. Franchisee's Financial Records for the Franchised Business as contained in this software database or elsewhere will be fully accessible by Franchisor as an authorized user; Franchisee agrees to provide necessary consent as may be required.

5.4 Inspection of Records. Franchisee must allow Franchisor, or its duly authorized representative, electronic and manual access to inspect and verify any and all Financial Records relating to the Franchised Business. If Financial Records indicate that there has been any underpayment of Royalty Fees, Marketing Contributions or any other fees based on Gross Revenue as finally adjusted and reconciled, Franchisee shall pay to Franchisor, at the time of submitting such statement, the amount of any such underpayment plus all late fees as authorized by this Agreement. Payment and acceptance of such amounts shall not waive or prejudice any right of Franchisor to exercise any other remedy of this Agreement, including termination in accordance with Section 10 of this Agreement. Any over payment shall be credited to Franchisee's account.

5.5 Audit of Records. Franchisor shall be entitled at any time to have Franchisee's books and records examined or audited at Franchisor's expense and Franchisee shall cooperate fully with the parties making such examination or audit on behalf of Franchisor. Franchisee shall promptly pay to Franchisor or Franchisor shall credit to Franchisee's account, as the case may be, any under or overpayment of fees revealed by the examination or audit. If an inspection, examination or audit is performed due to Franchisee's failure to submit statements of Gross Revenue or to maintain books and records as prescribed herein, or in the event that the Gross Revenue reported by Franchisee is more than two percent (2%) below the actual Gross Revenue of Franchisee for such period as determined by any such examination or audit, or in the event the examination or audit reveals one or more violations by Franchisee of any territory boundary restriction, then in addition to any other remedies Franchisor may have available at law or in equity, Franchisee shall within fifteen (15) days following notice, pay to Franchisor the full cost of such examination or audit (including, without limitation, professional fees, travel and room and board expenses ("**Audit Expenses**")) as well as all additional amounts of fees and late charges shown to be due. Further, Franchisor shall have the right to conduct further periodic audits and evaluations of Franchisee's books and records as it deems reasonably deem necessary for up to 3 years thereafter and any further audits and evaluations will require Franchisee solely be responsible for all Audit Costs directly related thereto. Payment and acceptance of such amounts shall not waive or prejudice any right of Franchisor to exercise any other remedy of this Agreement, including termination in accordance with Section 10 of this Agreement.

5.6 **Confidentiality of Records.** Any and all reports, forms and records submitted to Franchisor by Franchisee shall be kept confidential; except for (1) any information that is required to be disclosed in Franchisor's disclosure document under applicable law or for Franchisor's use of financial information in preparation of a financial performance representation to be used in Franchisor's disclosure document (without specifically identifying Franchisee); (ii) for use in an aggregated data format for system-wide distribution; (iii) to identify brand/system rankings for awards or otherwise; (iv) any information required to be disclosed by Franchisor pursuant to a subpoena, order or other legal requirement of any court, tax authority or governmental agency; and

i) unless otherwise noted herein (see for example Section 2.1.2).

6 FRANCHISOR'S OBLIGATIONS

6.1 Training

6.1.1 Prior to Commencement of Franchised Business.

(1) **Initial Training Program**. Franchisor shall provide the Managing Owner and one additional person affiliated with the Franchised Business, or if Franchisee is an Entity, to an Owner of Franchisee, with an initial training program at the time designated by Franchisor at Franchisor's principal offices or at such other location as Franchisor shall designate and/or by webinar or other online training method. This initial training program will cover operations, marketing, financial reporting requirements, equipment, brand requirements and standards, and Products and Service offerings ("**Initial Training Program**"). In addition, the Managing Owner must attend an in-person 3-day technical installation training session in Oconomowoc, Wisconsin. In addition, the Managing Owner and Franchisee's primary installation technician (the "**Installer**") must complete all required manufacturer/supplier technical training programs and required certifications for our approved product suppliers before you will be permitted to provide installation or other services to customers of your Franchised Business (the "**Technical Training Program**"). The Managing Owner and Installer must also complete a combination of in-person and online trainings with our approved product vendors (the "**Vendor Training Program**"). To complete the Vendor Training Program, there are additional manufacturer/supplier training programs online that Franchisee will be required to complete and additional optional in-person trainings that you may need to attend at manufacturer sites. The Installer may also be required to complete the Vendor Training Program for each key supplier. Each of our approved manufacturers/suppliers has their own respective training and certification requirements to be an approved dealer in good standing. This may be a combination of

online virtual learning and in person training at their headquarters. Franchisee must, at all times, meet their respective requirements to be an approved dealer, certified, in good standing, and eligible for leads and installations, and to be listed on their dealer locators. Franchisee must pay for all of the expenses of Franchisee's personnel and Franchisee to attend any training program, including travel, lodging, car rentals, meals and the wages of any person attending training. Franchisee must complete any new required trainings required by vendors.

(2) Franchisee must pay Franchisor the Initial Training Fee for the Initial Training Program is provided to Franchisee for up to two Owners or managers (one of which must be the Managing Owner). After the first two persons, each additional attendee who attends the Initial Training Program at any time during the Term will cost $500 per person.

(3) Franchisee, or its Managing Owner, as applicable, shall complete Franchisor's Initial Training Program (and Technical Training Program and Vendor Training Program) to the satisfaction of Franchisor at least 15 days before commencing operation of the Franchised Business. The Installer must complete the Technical Training Program and Vendor Training Program before they provide installation services for Franchisee's customers.

(4) The grant of the Franchised Business herein is conditioned upon successful completion of the Initial Training Program training by Franchisee. If during the course of the Initial Training Program or within fifteen (15) days thereafter Franchisor concludes that Franchisee has not exhibited the aptitude, abilities, or personal characteristics necessary or desirable to operate the Franchised Business in accordance with the standards and procedures of the System and as a Franchisee of Franchisor, Franchisor may, in its sole discretion and judgment, terminate this Agreement and all rights hereunder, where permitted by applicable law, by giving notice to Franchisee and tendering to Franchisee a refund of its Initial Franchise Fee less the amount of $5,000 to cover a portion of the reasonable expenses incurred by Franchisor in connection with training Franchisee and initially granting the franchise. Franchisee agrees that such refund shall be the full extent of Franchisor's liability and responsibility in the event of such termination, and Franchisee and its Owners shall execute a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its affiliates, and their respective officers, directors, employees and agents. Upon termination of this Agreement, Franchisee shall abide by Section 11 hereof. This includes, among other things, that Franchisee agrees to maintain strictly the confidentiality of all information received relating to the LIFTOLOGY System and not to use in the operation of a Competitive Business (as defined in Section 11.8.1), any trade secrets, Confidential Information, copyrighted works or proprietary materials obtained from Franchisor in the course of the training program or otherwise.

(5) Franchisee will not receive Franchisor's written approval to open the Franchised Business until Franchisee has completed all required Franchisor and key supplier/manufacturer training, on-boarding, and certifications to Franchisor's satisfaction, including the Initial Training Program, Technical Traiing Program, and the Vendor Training Program.

6.1.2 Additional Training & Additional Assistance. Franchisor may provide, at its option, additional training programs for Franchisees, their employees, and the Installer at locations designated by Franchisor and/or on-line, for an additional fee ("**Additional Training Fee**"). Under certain circumstances, including but not limited to, new Products and Service offerings being added to the System or Franchisee's unsatisfactory performance of its obligations, Franchisor may require Franchisee, its Owner, or the Installer to attend additional training courses from time to time and to pay Franchisor our then-current Additional Training Fee. If Franchisor determines, in its sole discretion, that additional consulting or training services are necessary or appropriate, or if Franchisee requests such services, and Franchisor provides such services in-person at Franchisee's Franchised Business location or at such other location as Franchisor may designate, Franchisee shall reimburse Franchisor for all reasonable travel, lodging, and dining expenses incurred by Franchisor's representatives in connection with the provision of such services, plus a consulting fee of $300 per day per trainer or representative providing such services (collectively, the "**Additional Assistance Fee**"). The Additional Assistance Fee and all reimbursable expenses are due and payable within seven (7) days of Franchisor's written request for payment following the rendition of such services. Franchisee's obligation to pay the Additional Assistance Fee applies regardless of whether the additional services were requested by Franchisee or required by Franchisor, and shall not be offset or reduced by any amounts owed by Franchisor to Franchisee under this Agreement or otherwise.

6.1.3 **Training Expenses**. Franchisee shall be responsible for all expenses that Franchisee, its Owner, the Installer, or that any attendees incur in connection with the Initial Training Program and any additional training programs, including, without limitation, travel, lodging, meals and other living expenses.

6.2 **Manuals.** Franchisor will provide to Franchisee on loan during the Term of this Agreement the Manuals for the Franchised Business, containing mandatory and suggested specifications, standards and procedures prescribed from time to time by Franchisor for Liftology Businesses and information relative to other obligations of Franchisee hereunder. Any required standards exist to protect Franchisor's interests in the System and the Marks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to Franchisee. The required standards generally will be set forth in the Manuals or other written materials.

6.2.1 Franchisee shall keep confidential the contents of the Manuals both during the Term of this Agreement and subsequent to its transfer, expiration or termination. Franchisee shall prevent unauthorized use or disclosure of the Manuals and all Confidential Information.

6.2.2 Franchisor shall have the right from time to time to add to, and otherwise modify, the Manuals to reflect changes in authorized Products and Services, the System, and specifications, standards and operating procedures of a Liftology Business and certain fees associated therewith. All modifications to the Manuals shall be binding upon Franchisee upon being mailed, e-mailed, made available for download from Franchisor's website, or franchise internet/intranet portal, or otherwise delivered to Franchisee. Franchisee shall accept, implement and adopt any such modifications at Franchisee's own cost. Franchisee shall keep its copy of the Manuals current, and the master copy maintained by Franchisor at its principal office shall be controlling in the event of a dispute relative to the contents of the Manuals.

6.2.3 The Manuals are, and shall remain, the sole property of Franchisor. Franchisee shall promptly return the Manuals to Franchisor upon termination or expiration of this Agreement. If Franchisee loses, misplaces or otherwise no longer has possession of the Manuals, Franchisee shall forfeit its manual deposit.

6.3 Ongoing Franchisor Support. Provided that Franchisee is in good standing under this Agreement, is current in payment of all fees and is in compliance with all of Franchisor's other contractual obligations, Franchisor shall provide the following continuing services for the benefit of Franchisee during the Term:

6.3.1 Promotion. Use the Marketing Fund to develop and implement from time to time promotional programs and marketing efforts to enhance the competitive effectiveness and general public acceptance of the Marks as further described in Section 4.3 of this Agreement. Make available from time to time marketing and sales promotion materials for purchase from third-party vendors.

6.3.2 System Improvements. Furnish to Franchisee from time to time any and all improvements and additions to the System implemented at Franchisor's sole discretion that are circulated generally to all other Franchisees.

6.3.3 Telephone Assistance. Be available to provide reasonable telephone support during designated business hours to assist with the operation and management of the Franchised Business and make available the benefits of our information, advice, expertise, and know-how. Franchisor reserves the right to change support hours and/or close its office at its discretion due to holidays, inclement weather, force majeure, or other events or unforeseen circumstances.

6.3.4 Other Support. Provide, at the option of Franchisor, assistance and support through email, e-newsletters, social media groups and/or intranet portal or other communication means. Any use of such support will be subject to Franchisee abiding by any applicable rules and guidelines. Franchisee also agrees that it will regularly review communications from Franchisor and will be deemed on notice of all information contained therein. Any software made available to Franchisee or support made available for such software by Franchisor or any third party is done so at Franchisor's option and as an accommodation to Franchisee and shall not be deemed an obligation of Franchisor. Franchisor makes no representation, warranty or guaranty as to the reliability, timeliness, quality, suitability or particular functionality of any software system, except if otherwise agreed in writing by Franchisor and Franchisee in a written software agreement.

6.3.5 Necessary Limitations of Services. All services and information provided by Franchisor for the benefit of Franchisee, including but not limited to, marketing and operational advice, suggestions or recommendations are to be used by Franchisee at its own risk. Because any advice, suggestion or recommendation rendered is necessarily limited in scope to the extent that it may not consider local custom, practice, law or other nuance, Franchisor is unable to make any warranty or representation, either express or implied, with respect to the accuracy, reliability or completeness of the information provided or the result of the use of the information provided. Franchisee shall use its own judgment and as necessary rely on the advice of applicable professionals (e.g, accounting, legal, etcetera).

7 OBLIGATIONS OF FRANCHISEE. In the interest of maintaining the integrity, force, quality, image and goodwill associated with the Marks of Franchisor, Franchisee agrees to the following:

7.1 Required Training. Franchisee and the Managing Owner must attend the Initial Training Program, the Technical Training Program, the Vendor Training Program, and all other required Franchisor and key supplier training, on-boarding, and certificationto Franchisor's satisfaction prior to commencing the operations of the Franchised Business or managing the operations of the Franchised Business, as the case may be. The Installer must also complete all required manufacturer/supplier technical training programs and required certifications for our approved product suppliers before they provide installation or other services to customers of your Franchised Business.

7.2 **<u>Promotion of the Liftology Business</u>.** Franchisee agrees to conduct business during all normal business hours, as designated in the Manuals, during the Term of this Agreement and to promote at all times the sale of the Products and Services available through the Franchised Business, as prescribed in the Manuals, using its best efforts to develop and enlarge Franchisee's market for such Products and Services. Franchisor may require Franchisee to follow and participate in Franchisor's approved advertising programs and initiatives. At its expense and exclusive of any Marketing Contributions paid to Franchisor, Franchisee agrees to expend at least 2% of Gross Revenues per month on local marketing expenditures ("**Local Advertising Requirement**"). Amounts spent to fulfill this Local Advertising Requirement shall be used by Franchisee to conduct continuing local marketing and advertising in form, content and media as outlined in the Manuals and as approved by Franchisor. Franchisee shall submit to Franchisor evidence of such local advertising expenditures no later than 15 days following the end of each calendar quarter.

7.2.1 Franchisee may in its own right and at its own expense advertise and promote the Franchised Business, provided that all such advertising and promotional materials, including, but not limited to, any print, radio, television, electronic, social site naming, directory listings, print or online citations or listings, or other media forms that may become available in the future shall ("**Local Marketing Collateral**"), prior to use or publication, be submitted to and approved in writing by Franchisor in the interest of maintaining the integrity, force, quality, image, and goodwill associated with the Marks of Franchisor. If Franchisor does not respond within 14 days after submission of the proposed Local Marketing Collateral, it will be deemed not approved. Franchisor will not unreasonably withhold approval of any Local Marketing Collateral; provided that they are current, in good condition, in good taste and accurately depict the Marks and the Products and Services. Notwithstanding Franchisor's approval of any Local Marketing Collateral, Franchisee is solely responsible for all content of any Local Marketing Collateral and shall fully indemnify Franchisor for same.

7.2.2 Franchisee is responsible for ensuring that all directory listings and advertisements are associated with Franchisee's Licensed Service Area. For paid directory listings and advertisements, Franchisee must designate one (1) town within the Franchisee's Licensed Service Area, as an identifier that must also be used on all advertising and promotional materials (i.e. "Town name and surrounding areas").

7.2.3 All Local Marketing Collateral prepared by Franchisee shall be completely accurate and truthful, shall conform to all applicable laws and regulations relating to consumer advertising, and shall give notice that the Franchised Business is an independently owned and operated franchise. Franchisee shall indemnify and hold Franchisor harmless for Franchisee's violation of this paragraph and the consequences of Franchisee's use of any Local Marketing Collateral. Because any Local Marketing Collateral prepared, developed or used by Franchisee in connection with the Franchised Business (whether or not approved by Franchisor as required) will contain the Marks, such Local Marketing Collateral shall become Franchisor's sole and exclusive property.

7.2.4 Such expenditures may include amounts paid to advertisers, agencies, digital platforms, lead generation providers, or other marketing vendors. We may require you to use designated or approved vendors for certain marketing activities. We may require that you spend minimum amounts within specified time periods and may require you to allocate such expenditures among particular media, programs, or campaigns. Amounts contributed to or spent through a Liftology advertising cooperative will count toward your Local Advertising Expenditure requirement. Any amounts not spent in accordance with this requirement will not carry over and must be spent as we direct.

7.3 Management Responsibility and Business Conduct.

7.3.1 Devote Full Time to Franchised Business. At all times during the Term of this Agreement, the Managing Owner shall devote full time and effort to the active management and operation of the Franchised Business, shall be responsible for the management and operation thereof, and shall act in the best interests of the Franchised Business. The Managing Owner may not engage in any other W-2 employment, operate or hold an ownership interest in another active business, or otherwise participate in any business or professional activity outside of the Franchised Business without our prior written consent. Franchisee may employ a full-time manager for the Franchised Business only if Franchisee obtains Franchisor's prior written consent, which consent may be withheld at Franchisor's discretion; provided, however, the Managing Owner shall remain active in overseeing the operations of the Franchised Business conducted under the supervision of the manager. Any manager employed by Franchisee must attend and satisfactorily complete the Initial Training Program and sign a confidentiality agreement with Franchisee in a form acceptable to Franchisor which includes covenants not to compete for the protection of Franchisee, Franchisor and the franchise system.

7.3.2 Franchisee's Direct Participation. Franchise understands, acknowledges and agrees that the business results, and the financial returns and profits, if any, expected or realized from the investment in, and the operation of, the Franchised Business, depend principally and substantially on Franchisee's direct, personal and active continuous participation in the management, administration and operation of the Franchised Business.

7.3.3 System Standards. In recognition of, and protection of, the integrity of the LIFTOLOGY brand and the goodwill associated with the Marks and Franchised Business, Franchisee agrees to adhere to all System Standards.

7.3.4 Standards of Conduct. In all dealings with customers, the public, competitors, other franchisees and Franchisor, Franchisee will at all times give efficient and courteous service, adhere to high standards of business ethics, honesty, integrity and fair dealing, and ethical conduct and do nothing that would tend to discredit or in any manner damage the reputation and goodwill of Franchisor, the brand, Franchisee, or other Liftology franchisees. Further, Franchisee shall not associate the Marks, the brand, Franchisor or the Franchised Business with any political ideologies, religious or social philosophies and/or positions.

7.3.5 System Changes. Franchisor may, from time to time, upon notice to Franchisee, add to, subtract from or otherwise modify or change Franchisee's obligations under the System, including, without limitation, adoption of new or modified Marks, services, or new techniques relating to the promotion and marketing of the Franchised Business. Franchisee shall promptly accept and implement all such additions, modifications and changes at Franchisee's sole cost and expense. This obligation includes from time to time as Franchisor requires for Franchisee to effectuate items of modernization or refurbishment of the Franchised Business to conform to the standards for similarly situated new Liftology franchisees. In no event will Franchisee's modernization and/or replacement obligations exceed $25,000 during any ten (10) year period. Each and every transfer of any interest in this Agreement or Franchisee's business governed by Section 9.2 or any Successor Agreement covered by Section 3.2 is expressly conditioned upon Franchisee's compliance with these modernization or refurbishment requirements at the time of transfer or renewal. Franchisee acknowledges and agrees that the requirements of this section are both reasonable and necessary to ensure continued public acceptance and patronage of the Liftology Business.

7.3.6 Timely Payments. Franchisee shall make all payments and accurately state and report Gross Revenues and other required information and data, and pay all debts, when due.

7.3.7 Notice of Franchise Relationship. Franchisee shall at all times provide notice of the franchise relationship. Franchisee shall hold itself out to the public as an independent business owner operating the business pursuant to a licensed franchise from Franchisor. Franchisee shall take such affirmative action as may be necessary to clearly disclose the franchise relationship, including without limitation, exhibiting a notice of the fact on all signs, forms, stationery, contracts, advertising and promotional materials, and other written materials, the content of which Franchisor has the right to specify. As described in Section 8.4.2 herein, Franchisee's Firm Name, and not the name of Franchisor (LIFTOLOGY FRANCHISE CORPORATION or any derivative thereof) must be used on all marketing and promotional materials and contracts.

7.3.8 Compliance with Applicable Law/Manufacturer Training. Franchise shall conduct its business in accordance with all federal, state, local or other governmental laws, statutes, ordinances, regulations or rules applicable to the Franchised Business, whether now in force or hereinafter enacted. This shall include without limitation all laws and regulations relating to occupational hazards and health, elevator licensing regulations, home improvement/contractor licensing, PCI Data Security Standards, consumer protection, discrimination, employment and employee benefits, sexual harassment, worker's compensation, unemployment insurance and withholding and payment of federal and state income taxes and social security taxes, and payment of sales, use, excise, property or other taxes relating to the Franchised Business and to make all contributions that may be required or demanded under, or by virtue of, such legislation, rules or regulations. Franchisee must also comply with all manufacturer required certifications/training for specific equipment or supplies. Franchisor makes no representation that Franchisee will be able to become an authorized dealer or distributor for any of the manufacturers that Franchisor requires Franchisee to use. It is the Franchisee's responsibility and obligation to know and understand the local, municipality, state, and federal laws that will affect Franchisee's operation of the Franchised Business in the Licensed Service Area and to contact the relevant governmental agencies or authorities regarding the various applicable laws, ordinances, regulations, rules and licensing, registration, permits, and inspection requirements related to the operation of the Franchised Business. Franchisor makes no promise or guarantee that Franchisor can or will provide the necessary information, training, testing or other requirements necessary to obtain compliance with any applicable laws or regulations needed to establish or operate the Franchised Business or to conduct the associated services within the Licensed Service Area or any other location.

(1) Franchisee, at its own expense shall obtain and maintain all permits, certificates, and licenses required to engage in the Franchised Business. Franchisee, at its own expense, shall have all written materials used in the operation of the Franchised Business, including but not limited to marketing and advertising materials, forms and contracts, reviewed by an attorney to insure compliance with all applicable state and local laws and regulations prior to the use of each such item.

(2) To the extent that Franchisee has access to or stores Personally Identifiable Information (as defined below) of its customers, Franchisee acknowledges that it shall hold such information in the strictest of confidence, and protect such information in accordance with the confidentiality provisions set forth in this Agreement, then-current industry

standards applicable to such information (including but not limited to the Payment Card Industry (PCI) Data Security Standard as published by the PCI Security Standards Council) and all applicable laws and/or regulations. In addition, Franchisee shall not disclose Personally Identifiable Information without the individual's prior written consent. In the event that the individual so consents, Franchisee may disclose such Personally Identifiable Information only to the extent expressly permitted by such individual and then only in accordance with the terms of this Agreement, such consents, and applicable law. As used in this Section, **"Personally Identifiable Information**" means personal information that collectively enables the person to be identified, including without limitation, names, phone numbers, mailing addresses, credit card information, social security numbers, financial information, and login credentials (including without limitation user names and passwords to any website, applications and/or systems).

(3) Franchisor shall have no liability for any sales, use, excise, property or other taxes of Franchisee or the Franchised Business or for Franchisee's non-compliance with any applicable law or regulation. Franchisee shall indemnify and hold Franchisor harmless for Franchisee's failure to comply with this Section 7.3.8.

(4) Franchisee shall comply with all warranty requirements applicable to the Products and Services offered in connection with the Franchised Business, including any warranty programs, terms, and standards established or modified by Franchisor from time to time and set forth in the Manuals or other written communications issued by Franchisor. Franchisee shall not offer, make, or honor any warranty or guarantee to customers that is inconsistent with or exceeds the warranty terms authorized by Franchisor. Franchisor reserves the right to modify the warranty requirements applicable to the Franchised Business at any time upon written notice to Franchisee, and Franchisee shall implement any such modifications within the timeframe specified by Franchisor in such notice.

7.3.9 Annual/Regional Meeting Attendance. Franchisor reserves the right to hold an annual or periodic system-wide franchisee meeting or conference. Franchisee and its Managing Owner shall, in every instance during the Term of this Agreement, attend Franchisor's annual meeting if Franchisor holds such a meeting. The registration fee for the annual meeting is $800 (per conference, per attendee), which amount may be increased to cover increased costs in holding the annual meeting, which fee will not increase by more than 25% per year ("**Meeting Registration Fee**"). The Meeting Registration Fee shall be payable to Franchisor by Franchisee whether or not Franchisee or a manager attends the annual meeting. This provision shall not obligate Franchisor to hold an annual meeting of franchisees each year.

7.3.10 Telephone Requirements. Throughout the term of this Agreement, Franchisee shall have a minimum of one (1) operational and functioning dedicated telephone line for use exclusively by the Franchised Business. Franchisee shall provide for telephone answering for the Franchised Business in the manner set forth in the Manuals. If Franchisee's telephone is physically located outside the Licensed Service Area, this telephone number may be given a free listing in the associated telephone book and in the directory for that area and could be considered advertising. Therefore, the telephone number listed in the telephone book outside the Licensed Service Area must be listed under Franchisee's corporate name, not "Liftology." Franchisee is responsible for ensuring that all directory listings and advertisements are associated with Franchisee's Licensed Service Area. For paid directory listings and advertisements, Franchisee must designate one (1) town within Franchisee's Licensed Service Area as an identifier that must be used on all such listings and advertising and promotional materials (i.e. "Town name and surrounding areas") to clarify markets in the event multiple Liftology franchisees are listed in one directory. Franchisee must follow all policies and procedures governing identification as set forth in the Manuals. Franchisee shall also own a mobile telephone with SMS capacity.

7.3.11 Approved Supplies and Suppliers. Franchisee shall in the operation of the Franchised Business use only such products, equipment, stationery, advertising and promotional materials, reports and forms that meet Franchisor's standards and specifications and use the Marks and colors as prescribed from time to time by Franchisor in the Manuals or otherwise. All materials used must disclose the franchise relationship. Franchisee shall purchase all approved or required supplies from any producer, manufacturer, distributor, supplier or service designated as mandatory for use by Franchisor, which may include Franchisor or an affiliate ("**Required Supplier**") or, as applicable, any producers, manufacturers, distributors, suppliers or service providers who have been approved by Franchisor ("**Approved Supplier**"). Franchisor will provide written specifications identifying suppliers that Franchisor has approved for those items. From time to time, and at our sole discretion, Franchisor may modify, remove, or add to these specifications, supplier designations, or quality standards.

7.3.12 Computer and Office Equipment. Franchisee shall acquire and use in the operation of the Franchised Business such computer hardware and software as may be required by Franchisor. Franchisee shall either own, purchase or have access to a laptop or desktop computer system loaded with certain commercially available software. The computer system shall be equipped with Ethernet and USB ports and have an active e-mail account and high-speed access to the Internet. Franchisee agrees to regularly monitor said account. Franchisee shall maintain and repair the computer and all equipment and obtain any upgrades or updates Franchisor requires with respect to such equipment. Franchisee shall be required to purchase or lease certain proprietary software from Franchisor or a third party designated by Franchisor, to enter into a software license agreement with Franchisor or such third party, and to purchase ongoing support services for the proprietary software from Franchisor or a third party designated by Franchisor. Franchisee shall provide to Franchisor access as an authorized user to all required accounts and software subscriptions utilized by Franchisee in the operation of the Franchised Business. Currently, required software from Required Suppliers include accounting and customer relationship management software. Franchisee must also have a minimum of one operational and functioning VOIP telephone and dedicated telephone number provided by an Approved Supplier for use exclusively by the Franchised Business. Franchisor reserves the right to expand required software and to access as an authorized user all information and data in connection with the Franchised Business produced by Franchisee's computer system. Franchisor also reserves the right to require Franchisee to purchase or lease proprietary software from Franchisor or an Approved Supplier designated by Franchisor in the future. Upon termination or expiration of the Agreement, all such data remains the property of Franchisor. Franchisor will have, or Franchisee must grant Franchisor, unrestricted access to Franchisee's computer systems and all software or services accounts utilized by Franchisee in the operation of the Franchised Business, including but not limited to any emails, accounting and customer relationship management software, and Franchisor will have independent access to information and data that Franchisee collects. There is no contractual limit imposed upon Franchisor's access to Franchisee's information and data.

7.3.13 Maintenance of Contacts Database. Franchisee shall at all times maintain a current database of information on all customers, marketing contacts and other contacts on the computer system for the Franchised Business. Said database shall be the sole property of Franchisor.

7.3.14 Inspection of Franchised Business. To determine whether Franchisee and the Franchised Business are in compliance with this Agreement, the Manuals, and any required specifications or procedures, Franchisor and its representatives shall have the right at all times and without prior notice to Franchisee to inspect Franchisee's business operations, which shall include the right to enter the office of the Franchised Business, to accompany Franchisee on providing its service, or to otherwise observe Franchisee's operation or promotion of the Franchised Business. Franchisor and its representatives will have the right to interview Franchisee, Franchisee's employees and subcontractors, marketing contacts and customers pertaining to matters of compliance with this Agreement and to photograph, videotape or audiotape any such interviews and/or observation of the operation of the Franchised Business with or without Franchisee's knowledge and without prior notice to Franchisee. Franchisee hereby consents to Franchisor's use of any such audio or video recording for training, marketing or any other purpose. Franchisee shall fully cooperate with Franchisor and its representatives in all respects in connection with conducing, supervising or observing any such inspection and audit provided that Franchisor's exercise of these rights will not unreasonably interfere with Franchisee's conduct of the Franchised Business. In the event that Franchisor incurs fees and costs to hire a third party representative to inspect or observe Franchisee's operations or promotion of the Franchised Business, and said third party representative provides information to Franchisor evidencing Franchisee's violation of this Agreement, Franchisee shall reimburse Franchisor for such fees and costs upon demand (including travel, lodging, and meals, and compensation for said representatives (if applicable)). If Franchisor gives Franchisee notice of deficiencies Franchisor identify during an inspection and you fail to correct the deficiencies in a reasonable time, we may correct the deficiencies at your expense or terminate the Franchise Agreement.

7.3.15 Vehicle. Franchisee must own, purchase, or lease at least one vehicle that has been approved by Franchisor for use in connection with the Franchised Business (each, an "**Approved Vehicle**"). All Approved Vehicles must meet the specifications set forth in the Manuals, which may include requirements relating to make, model, color, age, and mechanical condition. Franchisee shall not use any vehicle in connection with the Franchised Business that does not meet Franchisor's specifications or that has not been approved by Franchisor in writing. Franchisee shall wrap or display signage on each Approved Vehicle in accordance with Franchisor's specifications as set forth in the Manuals, including without limitation requirements relating to signs, graphics, logos, and lettering. Franchisee shall not modify, alter, or remove any vehicle wrap or signage without Franchisor's prior written approval. Franchisee shall maintain each Approved Vehicle at regular intervals in accordance with all applicable laws and regulations, including all safety and insurance requirements. Franchisee shall provide Franchisor with evidence of such maintenance and insurance coverage upon Franchisor's request. Franchisee shall refurbish each Approved Vehicle at such intervals as Franchisor may determine, including without limitation in connection with any change in the image, design, format, or operation of the System or the Marks. If Franchisor determines that any Approved Vehicle must be upgraded, supplemented, or discontinued, Franchisor will notify Franchisee in writing of any additional or replacement vehicles that Franchisee is required to obtain, and Franchisee shall obtain such vehicles within the timeframe specified by Franchisor in such notice. Franchisor reserves the right to require that any Approved Vehicle that is more than five (5) years old be replaced, and Franchisee shall replace any such vehicle upon Franchisor's written request within the timeframe specified therein. Franchisee's failure to maintain, wrap, insure, or replace any Approved Vehicle in accordance with this Section and Franchisor's specifications shall constitute a default under this Agreement subject to the notice and cure provisions set forth herein.

7.4 <u>Insurance for Franchised Business</u>.

7.4.1 Franchisee shall obtain and at all times during the term of this Agreement maintain in force and pay the premiums for the types and coverages amount of insurance as identified in the Manuals, which will include, but not be limited to. automobile insurance, general liability insurance with bodily injury and property coverage, and employer's liability and workers' compensation insurance.

7.4.2 All insurance policies shall be on forms, upon terms and with insurers reasonably satisfactory to Franchisor. All policies must be issued by an insurer(s) rated A- or better in Class X by Alfred M. Best and Company Inc., or comparably rated by Moody's and/or Standard and Poor's or similarly reliable rating services acceptable to us. Upon reasonable notice to Franchisee, Franchisor may reasonably increase the minimum liability protection requirement or decrease the maximum deductible or require different or additional limits or kinds of insurance to reflect inflation, changes in standards of liability, higher damage awards or other relevant changes in circumstances.

7.4.3 All insurance policies shall in all instances be considered primary non-contributory coverage and expressly protect both Franchisee and Franchisor from liability and action. Franchisor must be named in all policies as a co-insured or an additional named insured. Franchisee shall furnish to Franchisor a certified copy of the certificate with respect to each such policy, which provides that such policy shall not be canceled or modified except upon thirty (30) days prior written notice to Franchisor. If Franchisee fails to obtain or maintain in force any insurance as provided herein or to furnish the certificates required hereunder, Franchisor may, in addition to other remedies it may have, maintain or obtain such insurance and/or certificates on Franchisee's behalf, and Franchisee shall promptly reimburse Franchisor for all premiums and other costs incurred thereby.

7.4.4 Franchisee must provide Franchisor copies of certificates of insurance coverage evidencing compliance with this Section before the Business Effective Date and upon Franchisor's demand thereafter but no less than annually.

7.4.5 If Franchisee engages any independent contractors to perform other services for customers of the Franchised Business, such independent contractors must have in force at the time of performing such services insurance of the types and amounts of coverage as set forth in the Manuals, and will include, but not be limited to, worker's compensation insurance and bodily injury insurance (for injury resulting from services) for all services performed. Such insurance policy must name Franchisee and Franchisor as additional insureds under the policy. Franchise shall obtain from each such independent contractor a certified copy of the certificate of insurance evidencing such coverage prior to the date the independent contractor performs any services for the Franchised Business. Maintenance of any insurance required by this Agreement shall not relieve Franchisee of the indemnification obligation under this Agreement.

7.5 **<u>Liability and Indemnification for Franchised Business</u>.** Franchisee alone shall be responsible for all loss or damage arising out of or relating to the operation of the Franchised Business or arising out of the acts or omissions of Franchisee or any of its employees, agents, servants or independent contractors in connection with services offered or rendered by Franchisee, and for all claims for damage to property or for injury or death of any person or persons directly or indirectly resulting therefrom. Franchisor will in no event assume liability for, or be deemed liable hereunder, as a result of any such action, or by reason of any act or omission of Franchisee in its conduct of the Franchised Business, or any claim or judgment arising therefrom against Franchisee.

7.5.1 Franchisee agrees, for itself and its successors and assigns, to indemnify, defend and hold harmless forever, Franchisor, its successors and assigns, affiliates, subsidiaries, and their respective officers, directors, agents, employees and representatives (collectively, “**Indemnified Parties”)**, past and present, against any and all claims, judgments, damages, suits, losses, penalties, fines, expenses, costs, settlements and liabilities, which shall include, but not limited to, compensation for damages to Franchisor’s reputation and goodwill; reasonable attorneys’ fees (whether such fees be incurred by outside counsel or a staff attorney); court costs; expert witness fees; costs of investigation and defense; related travel and living expenses; and all other costs associated with any of the foregoing losses and expenses (**“Indemnified Expense”**) of any kind or nature that hereafter may be brought or instituted against any or all of them, or their successors and assigns, by or on behalf of anyone claiming rights or injury arising directly or indirectly from, as a result of, or in connection with the operation of the Franchised Business, whether or not the cause of such Indemnified Expense was actually or allegedly caused wholly or in part through the negligence or intentional act or omission of the Indemnified Parties or resulted from any strict liability imposed the Indemnified Parties. Franchisee shall give Franchisor prompt notice of any such indemnity event of which it is aware, for which indemnification is required, and, at the expense and risk of Franchisee, Franchisor shall have the option to control its own defense and to select counsel of its own choosing. Franchisor may, in its sole judgment, take such actions as it seems necessary and appropriate to investigate, defend, or settle any indemnity event or take other remedial or corrective actions with respect thereof as may be, in Franchisor’s sole judgment, necessary for the protection of the Indemnified Parties or the System. Such an undertaking by Franchisor of any rights or obligations attended to indemnified claims or otherwise shall, in no manner or form, diminish the obligation of Franchisee to provide the foregoing indemnity of Franchisor and the foregoing parties and to hold Franchisor and the foregoing parties harmless. The indemnities and obligations set forth in this Agreement will continue in full force and effect subsequent to the transfer, expiration or termination of this Agreement.

7.5.2 Nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on Franchisor’s behalf, or to incur any debt or other obligation in Franchisor’s name. During and after the duration of the term of this Agreement, Franchisor may, but is not required to, fulfill any of Franchisee’s customer warranty obligations if Franchisor reasonably believes that any of the obligations were not fulfilled. If Franchisee does not resolve a customer service complaint or refuses to refund a customer fee and the customer contacts Franchisor, and if Franchisor believes there is a reasonable basis for the complaint, Franchisor may issue a refund of fees paid by the customer. Franchisee agrees to reimburse Franchisor upon demand for any associated expenses related to fulfillment of customer warranty obligations or any refund paid pursuant to this paragraph.

7.5.3 Franchisee shall be solely responsible for handling, managing and participating in the defense of all claims and/or lawsuits related in any way whatsoever to the Franchised Business, whether such claims arise during the term of this Agreement or after its termination or expiration. In the event Franchisee’s customer asserts claims or potential claims against Franchisor, Franchisee and its agents, employees and independent contractors agree to fully cooperate with Franchisor and/or its insurer in any investigations or other efforts to defend the claims asserted.

7.6 Staffing. Franchisee must maintain sufficient staffing to ensure the proper operation of the Franchised Business at all times, including adequate personnel to perform inside sales and account management, outside sales and business development, and installation and service functions in accordance with the Manuals and System Standards. While Franchisee has discretion over the structure and staffing of the Franchised Business, if Franchisor determines that any of these functions are not being adequately performed, Franchisor reserves the right to require Franchisee to hire or designate personnel to fulfill such roles to Franchisor’s satisfaction.

7.7 Inventory. Franchisee must maintain inventory at levels sufficient to fulfill customer demand and meet Franchisor's inventory requirements as set forth in the Manuals and System Standards, including the initial opening inventory requirement. If Franchisor determines that Franchisee's inventory levels are insufficient to fulfill customer demand or meet Franchisor's requirements, Franchisor reserves the right to require Franchisee to replenish inventory to required levels to Franchisor's satisfaction.

8 PROPRIETARY INFORMATION.

8.1 **Confidentiality and Trade Secrets.** Franchisee hereby acknowledges that only Franchisor can franchise the proprietary rights associated with the Liftology Business and all parts thereof, and of all material and information divulged to Franchisee relating to the Franchised Business. Franchisee further acknowledges that the System and the Liftology Business, each part thereof and in its entirety, constitutes trade secrets, confidential and proprietary business information of Franchisor that are revealed to Franchisee in trust and in confidence solely for the purpose of enabling Franchisee to establish and operate the Franchised Business. Such trade secrets, confidential and proprietary business information include, but are not limited to, information concerning the Marks; knowledge of the System; concepts or results relating to the services; supplier and material lists; customer list and contact information and data; proprietary software; forms of agreement and actual agreements; contact or service provider information or data; training; Manuals and related materials and other aids; business and accounting procedures and processes; promotional and marketing guidebooks, and other aids, business forms and accounting procedures; and, in general, methods, techniques, formulas, formats, specifications, standards, procedures, know-how, and information systems (collectively referred to as "**Confidential Information**").

(1) Franchisee acknowledges that all data pertaining to the Franchised Business, including Confidential Information, Financial Records and data contained in any database whether prepared by Franchisee or Franchisor, including, but not limited to, any data contained in contact relationship management software, belongs to Franchisor.

(2) Franchisee shall maintain the absolute confidentiality of all Confidential Information during and after the Term and shall not use any of the Confidential Information in any other business or in any manner other than with the Franchised Business. Franchisee shall not make copies of such information or divulge such information to any other person except as permitted in writing by Franchisor. Franchisee shall require any other person who will have access to any Confidential Information to sign a confidentiality agreement in a form approved by Franchisor, which form, among other provisions, shall designate Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them.

(3) Franchisee agrees that, without our prior written consent, Franchisee may not input, provide or otherwise use any Confidential Information in connection with any Computer System that leverages artificial intelligence or machine learning models, including but not limited to any publicly-available generative AI tools (e.g., ChatGPT). The foregoing restriction includes inputting, providing or otherwise using any Confidential Information to train, develop or modify any such models.

8.2 **Improvements to System.** As Franchisor develops, learns, or implements improvements to the System, it will so notify franchisees and authorize their use in the Franchised Business. In return and in consideration therefore, Franchisee agrees that any idea or suggested innovation or variation that may tend to enhance or improve the System and the Liftology Business including all writings and other original works of authorship regardless of form, including, but not limited to software programs, trademarks, copyrightable works, Internet Web page or any other document or information pertaining or relating to the

Franchised Business that Franchisee discovers or otherwise becomes aware of during the Term shall be submitted to Franchisor for its evaluation for adoption and use. Franchisee agrees that all proprietary rights to such ideas, works, innovations or variations created or acquired by Franchisee or any of its employees, during the Term, shall be deemed by the parties to be works made for hire and shall belong to Franchisor. Franchisor may adopt such improvements without compensation to Franchisee, and such improvements shall thereupon become part of the System owned by Franchisor and be used by Franchisor without any restriction, which shall include being made available to other franchisees.

8.3 Noncompliance with System. Franchisee acknowledges the importance of the Confidential Information and System to the reputation and integrity of the franchise system and the goodwill associated with the Marks and the LIFTOLOGY brand. If Franchisor notifies Franchisee of a failure to comply with any of the standards or procedures that are required and Franchisee fails to correct the non-compliance within a period of time that Franchisor requires or Franchisee subsequently fails to comply with the same standard or procedure for which Franchisee received the notice, then, in addition to any other remedies to which Franchisor shall be entitled, Franchisor reserves the right to impose a fine for such non-compliance in the amount then specified in the Manuals. This provision shall solely be deemed a fine and not an adequate remedy at law.

8.4 Marks.

8.4.1 Ownership of Marks and Goodwill. Franchisee's right to use the Marks is limited to the operation of the Franchised Business in the Licensed Service Area subject to the terms and conditions of this Agreement and the Manuals. Franchisee shall not contest or oppose, or assist anyone else to contest or oppose, directly or indirectly, Franchisor's ownership of the Marks, application for registration of the Marks, or registration of, or the validity or enforceability of any of the Marks. Franchisee's use of the Marks and any goodwill associated with the Marks shall inure to the exclusive benefit of Franchisor.

8.4.2 Firm Name - Limitations on Franchisee's Use of the Marks. Franchisee shall operate, advertise, and promote the Franchised Business and its services under a name approved in writing by Franchisor ("**Firm Name**"), and shall designate in conjunction therewith that Franchisee is an independent Liftology franchisee. Franchisee shall not, however, use any of the Marks (including LIFTOLOGY) or any other portion thereof or similar words or colorable imitations thereof as part of any name of any corporation, partnership, limited liability company or other business Entity, or with any other prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form, or with the commercial symbols or trade dress of any other person or Entity, nor may Franchisee use any of the Marks in connection with the sale of any unauthorized products or service or in any other manner not expressly authorized in writing by Franchisor. Franchisee shall not use "THA" or any portion thereof as part of Franchisee's business entity name. Franchisee shall, upon request of Franchisor at any time, immediately stop the use of any such name or word in its business entity name, and shall promptly take such steps as may be necessary or appropriate in the judgment of Franchisor to remove any such name or word from Franchisee's business entity name. Franchisee's Firm Name must be used on all marketing and promotional materials and contracts. Designations for "doing business as" (d/b/a) or "operating as" (o/a) shall not contain any geographic designation, such as Liftology of Utah, unless pursuant to Franchisor's prior written consent.

8.4.3 Defense of Marks by Franchisor

(1) If Franchisee receives notice or learns of a claim, suit, demand or proceeding against Franchisee on account of any alleged infringement, unfair competition,

or similar matter relating to Franchisee's use of the Marks, Franchisee shall promptly notify Franchisor of such claim, suit, demand or proceeding. Franchisee shall have no power, right, or authority to settle or compromise any such claim by a third party without the prior written consent of Franchisor. Franchisor may, but is not required to, defend, compromise or settle any such claim at Franchisor's cost and expense, using attorneys of its own choosing. If Franchisor decides to defend, compromise or settle any such claim, Franchisee shall cooperate fully with Franchisor in connection with the defense of any such claim. Franchisee irrevocably grants Franchisor authority and power of attorney to defend or settle all of such claims, demands, suits or proceedings as to these claims.

(2) If Franchisee receives notice or is informed or learns that any third party that Franchisee believes to be unauthorized to use the Marks, is using the Marks or any variants thereof, Franchisee shall promptly notify Franchisor. Thereupon, Franchisor shall, in its sole discretion, determine whether or not it wishes to undertake any action against such third party on account of said person's alleged infringement of the Marks. Franchisor shall have the sole authority and power to prosecute or settle such action. Franchisee shall render such assistance as Franchisor shall reasonably demand to carry out the prosecution of any such action including, but not limited to, becoming a nominal party to any legal action. Franchisee shall have no right to prosecute any claim of any kind or nature whatsoever against such alleged infringer for or on account of said alleged infringement.

8.4.4 Substitution of Marks. Franchisor may change, revise or substitute different Marks for use in identifying the System, if the Marks no longer can be used, or if Franchisor, in its sole discretion, determines that substitution of different Marks will be beneficial to the System. The use of the substituted Marks shall be governed by the terms of this Agreement and Franchisee shall implement such change at its sole cost and expense, and Franchisor shall not compensate Franchisee for such substitution.

8.5 Internet Usage.

8.5.1 Franchisee shall not register any of the Marks on the Internet or any other computer on- line service, which shall preclude using the Marks as a domain name or as an email address unless issued through Franchisor. Franchisee shall not either directly or indirectly create, develop, maintain, and/or use its own website, blog, vlog, social network, or other on-line venue or communication on the Internet using any of the Marks, or otherwise use any of the Marks on the Internet in any other manner including for search engine advertising purposes without the prior written consent of Franchisor or as may be explicitly identified in the Manuals, if applicable. Franchisee may identify and/or use Marks with an on-line social media venues sponsored by Franchisor without obtaining prior written consent.

8.5.2 Franchisee acknowledges that the use of any social networking website, including but not limited to Facebook, MySpace, LinkedIn, Twitter, Instagram or other similar media, which exploits, utilizes, displays, or otherwise makes use of any of the Marks is the sole property of Franchisor and is only permissible, if at all, to the extent identified in the Manuals. In this event, Franchisee shall promptly submit to Franchisor all passwords for such site(s) and any changes to a password shall be submitted to Franchisor within three (3) days of the change. Franchisor shall be authorized full access to any social networking sites or webpages. Franchisee has no right, title or interest to any webpage on any of Franchisee's social networking sites including, but not limited to, all "fans", "followers", "friends" and "contacts" associated therewith which mentions, uses or refers in any way to the Marks or other intellectual property even if such webpage is established by Franchisee or otherwise held in the name of Franchisee or any of its owners. Upon expiration, transfer or termination of this Agreement, Franchisee shall immediately take whatever steps are necessary to cancel or dismantle any such social networking account or webpage or transfer the account or webpage and all related information, including all “fans”, “followers”, “friends” and “contacts” associated with such accounts or webpages, to Franchisor.

8.5.3 During the Term, Franchisee’s use of the Marks or its identification of itself or its Owners with the Liftology Business on any personal social media forum shall not associate the Marks, the brand, Franchisor or the Franchised Business with any political ideologies, religious or social philosophies and/or positions. Nor shall Franchisee use any personal social media forum to discredit, disparage, or harm the reputation and goodwill of the Marks, other franchisees or the LIFTOLOGY brand. Upon expiration, transfer or termination of this Agreement, Franchisee shall not be permitted to use the Marks or any other indicia of its former affiliation with the LIFTOLOGY brand on any social media forum whatsoever.

9 ASSIGNMENT, TRANSFER AND ENCUMBRANCE

9.1 By Franchisor. Franchisor shall have the right to Transfer or assign all or any part of its rights or obligations under this Agreement to any person or legal Entity without the consent of Franchisee.

9.2 By Franchisee. The rights granted to Franchisee in this Agreement are personal and Franchisee acknowledges that Franchisor is entering into this Agreement in reliance upon and in consideration of the individual character, skill, aptitude, business ability, English language fluency, physical capacity to perform the obligations under this Agreement and financial capacity of Franchisee or, if Franchisee is an Entity, of its Owners. Accordingly, Franchisee shall not Transfer this Agreement or any interest in this Agreement or ownership of Franchisee without Franchisor’s prior written consent and without offering Franchisor a right of first refusal. Any attempt at a Transfer that violates the provisions of this section shall constitute a material breach of this Agreement and shall convey no right or interest in this Agreement. If Franchisee desires or proposes to Transfer any right or interest under this Agreement to a potential person or Entity (“**Transferee**”), Franchisee shall first notify Franchisor in writing at least 60 days before the proposed Transfer, setting forth in detail all of the proposed terms and conditions of the Transfer, a copy of the proposed sale and purchase agreement between Franchisee and the proposed Transferee, the name and address of the proposed Transferee, and the consideration therefore. Franchisor shall not unreasonably withhold its consent to the Transfer for which it has not exercised its right of first refusal pursuant to Section 9.3, so long as the proposed Transfer complies with all the following pre- conditions:

9.2.1 Franchisee provides Franchisor with at least sixty (60) days’ prior written notice of the proposed Transfer, which notice shall describe the proposed Transfer in reasonable detail, including the identity of the proposed transferee and the material terms and conditions of the transaction;

9.2.2 Franchisee is in full compliance with this Agreement and all related agreements at the time of the proposed Transfer, and no Event of Default exists under this Agreement, nor would result from the consummation of the Transfer;

9.2.3 the terms of the proposed transfer agreement do not, in Franchisor’s reasonable judgment, adversely affect the goodwill, reputation, or operation of the System or the Marks;

9.2.4 the proposed transferee meets Franchisor’s then-current standards and criteria for new franchisees and satisfactorily completes Franchisor’s approval process, including providing such financial, background, operational, and other information as Franchisor may reasonably require in connection with its evaluation of the proposed transferee;

9.2.5 Franchisee and each of Franchisee's owners execute a general release in favor of Franchisor and its affiliates, in a form acceptable to Franchisor, releasing any and all claims arising out of or relating to this Agreement or the Franchised Business through the date of the Transfer;

9.2.6 the proposed transferee obtains all licenses, permits, certifications, and regulatory approvals required to operate the Franchised Business prior to the consummation of the Transfer;

9.2.7 the proposed transferee executes Franchisor's then-current form of Franchise Agreement and any required guaranty or ancillary agreements, which may contain terms and conditions that differ materially from those set forth in this Agreement, and Franchisee acknowledges that the proposed transferee's rights and obligations will be governed by such then-current form and not by the terms of this Agreement;

9.2.8 the proposed transferee expressly assumes in writing all obligations of Franchisee under this Agreement and all related agreements to Franchisor's satisfaction;

9.2.9 the proposed transferee, and/or the individual designated by the proposed transferee to manage the day-to-day operations of the Franchised Business, satisfactorily completes Franchisor's initial training program and any other required onboarding, training, licensing, or certifications to Franchisor's satisfaction prior to or concurrent with the consummation of the Transfer; and

9.2.10 Franchisee or the proposed transferee agrees to complete, within such reasonable timeframe as Franchisor may determine, any modernization, renovation, equipment replacement, or upgrade requirements that Franchisor may specify for the Franchised Business as a condition of its consent to the Transfer.

9.2.11 Franchisee shall pay to Franchisor a **"Transfer Fee**" in the amount of Twenty-Five Percent (25%) of the then-existing Initial Franchise Fee, plus Franchisor's out of pocket costs associated with the Transfer, including costs of attorneys' fees associated with the Transfer, on or before the Transfer; provided, however, that if Franchisor does not consent to the Transfer, Franchisor shall refund the Transfer Fee to Franchisee after deducting any expenses it incurred in connection with the proposed Transfer.

9.3 **<u>Right of First Refusal</u>.** If Franchisee or any of its Owners intend to Transfer the Franchised Business for valuable consideration, a complete and accurate copy of the bona fide, signed, written offer from the potential purchaser must be delivered immediately to Franchisor. If the offeror proposes to buy any other tangible or intangible assets that do not relate to or are not used by or in the Franchised Business, the proposal for such assets or rights must be described in a separate offer that is disclosed to Franchisor, but to which this right of first refusal is not applicable. The purchase price and terms for the Transfer of the Franchise will reflect the bona fide offered price and not reflect any value for any other assets.

9.3.1 Within thirty (30) days after Franchisee delivers a complete and accurate copy of the bona fide offer to Franchisor, Franchisor or its designee will have the option, exercisable by written notice, to purchase the interest that is the subject of the offer/ for the price and on the terms in the offer; provided, however, that (a) Franchisor may substitute cash for any in-kind payment proposed in the offer, (b) Franchisor's credit will be deemed equal to the proposed purchaser's credit, and (c) Franchisor will have not more than one hundred twenty (120) days from the option exercise date to consummate the transaction. Franchisee will promptly respond to all of Franchisor's reasonable due diligence requests. Terms and conditions for the purchase will be as similar as practicable to the offer's terms and conditions, subject to the exceptions above.

9.3.2 Unless expressly limited in the third-party offer, Franchisor has the right to purchase the interest subject to all customary representations and warranties, closing documents, releases and indemnities as Franchisor may reasonably may require, including representations and warranties as to the ownership and condition of, and title to, shares of ownership and/or assets, the validity and status of contracts and leases and the extent of any liabilities, contingent or otherwise. Franchisor also will have the option to acquire, for nominal consideration, an assignment of Franchisee's leasehold rights for the Office premises.

9.3.3 If Franchisor does not exercise it purchase option, Franchisee or its Owners may complete the sale to the offeror on the offer's exact terms, subject to Franchisor's approval of the Transfer; provided that if there is a material change in the offer's terms, Franchisor will have an additional option to purchase during the thirty (30)-day period after Franchisee provides notice of a material change in the offer's terms.

9.3.4 If the proposed Transfer is not supported by valuable consideration (e.g. gift, testamentary transfer, or involves the transfer of ownership to an immediate family member of an Owner, or reorganization of your entity without any change in the Owners), Franchisor will have no right of first refusal. Franchisor must approve the new Owner under Section 9.2.

9.4 **Death or Incapacity of Franchisee**. Upon Franchisee's death or Incapacity during the Term or upon the of death or Incapacity of one or more Owners with 50% of more interest in Franchisee, if Franchisee is an Entity, Franchisor, on its own initiative, or upon the written request of the heirs, shall allow the heirs a period of six (6) months from the date of death or Incapacity to effectuate one of the below options. "**Incapacity**" shall mean the condition of an individual who suffers from a physical or mental impairment, or a combination of both, rendering Franchisee, or its Owner, unable to substantially perform all Franchisee's obligations and duties provided of this Agreement and in the Manuals, which is verifiable by medical findings and has continued or is reasonably certain to continue for at least three (3) months without substantial improvement that would allow such individual to perform.

9.4.1 Demonstrate that the heirs, personal representatives or conservators of Franchisee or Owner ("**Heirs**") meet Franchisor's requirements for a Transferee set forth in this Agreement and agree to the terms of this Agreement and confirm this by signing a Transfer or assignment. At Franchisor's option, as an alternative to signing a Transfer or assignment agreement, Franchisor may require the heirs to execute the standard form of Franchise Agreement then being offered to new franchisees (modified to reflect that Franchisor shall not collect an initial franchisee fee and to reflect the remaining term and renewal term then remaining, if any, with respect to this Agreement) and any ancillary documents that Franchisor requires, the terms of which may be different from those of this Agreement; or

9.4.2 Assign this Agreement to a third party acceptable to Franchisor that meets the prerequisites to Transfer set forth in this Agreement.

9.4.3 If the Managing Owner dies or becomes disabled, Franchisee must designate a replacement acceptable to Franchisor.

10 TERMINATION OF FRANCHISE AGREEMENT.

10.1 Termination by Franchisee For Cause. Franchisee may terminate this Agreement prior to the expiration of the Term only if Franchisor has materially breached its obligations under Section 6.1 of this Agreement, provided, however that the conditions in this Section are fully satisfied and Franchisee is itself in full compliance with this Agreement at the time of giving such notice of termination.

10.1.1 If Franchisee believes that Franchisor has failed to adequately provide any undertaking prior to Franchisee's commencement of operations of this Agreement, including the Initial Training Program, Franchisee must notify Franchisor in writing within thirty (30) days following the start of the Franchised Business. Absent the timely provision of such notice to Franchisor, Franchisee shall be deemed to conclusively acknowledge that all initial training required to be provided by Franchisor was sufficient and satisfactory in Franchisee's judgment and to have waived any claim against Franchisor for such breach.

10.1.2 For any other Franchisor obligation, Franchisee must give Franchisor a written intent to terminate for cause specifically identifying all Defaults and providing a sixty (60) day cure period from the date of delivery of said notice to permit Franchisor to cure any Defaults, except that if any Default cannot be cured within thirty (30) days, Franchisor shall be given a reasonable time to cure such Default as long as Franchisor has initiated steps necessary to cure the Default within the sixty (60) day period. If such material breach by Franchisor is not cured within the permitted cure period, Franchisee may terminate the Agreement with Franchisor for cause.

10.1.3 A termination of this Agreement by Franchisee for any reason other than a material breach of this Agreement by Franchisor as identified in this Section 10.1 and Franchisor's failure to cure such breach within the cure period shall be deemed a termination by Franchisee without cause and a breach of this Agreement.

10.1.4 All Obligations Upon Termination (Section 11) shall be effective and valid upon Franchisee's termination whether for cause or otherwise.

10.2 Termination by Franchisor With Notice and No Opportunity to Cure. The following provisions are in addition to, and not in limitation of, any other rights and remedies Franchisor may have at law or in equity, all of which are expressly reserved. The exercise by Franchisor of any right or remedy shall not be deemed an election of remedies. This Agreement shall immediately terminate on delivery of notice of termination to Franchisee by Franchisor upon the occurrence of any of the following Defaults:

10.2.1 Franchisee makes any material misrepresentation or provides false or misleading information to Franchisor, including without limitation in any application, report, or required disclosure submitted to Franchisor;

10.2.2 Franchisee becomes insolvent, makes a general assignment for the benefit of creditors, or files for or becomes subject to bankruptcy, reorganization, receivership, or similar proceedings under applicable law;

10.2.3 Franchisee, or any of Franchisee's owners, officers, directors, or Managing Owner, is indicted for or convicted of a felony, engages in conduct involving moral turpitude or consumer fraud, or otherwise engages in conduct that, in Franchisor's reasonable judgment, materially and adversely affects the goodwill associated with the Marks or the reputation of the System;

10.2.4 Franchisee makes any unauthorized assignment, transfer, or encumbrance of this Agreement, the Franchised Business, or any interest therein without Franchisor's prior written approval;

10.2.5 Franchisee violates any non-competition, non-solicitation, or non-disclosure covenant set forth in this Agreement, or operates any unauthorized competing business in violation of this Agreement;

10.2.6 Franchisee operates any additional business or location offering products or services similar to those offered by the Franchised Business without Franchisor's prior written approval, or fails to report to Franchisor all Franchised Businesses in operation as required by this Agreement;

10.2.7 Franchisee ceases operating the Franchised Business for more than seven (7) consecutive days without Franchisor's prior written approval, except as a result of circumstances beyond Franchisee's reasonable control, including force majeure events, provided that Franchisee promptly notifies Franchisor of any such cessation and the reason therefor;

10.2.8 Franchisee misuses, infringes upon, or otherwise violates Franchisor's rights in the Marks or any other proprietary rights of Franchisor;

10.2.9 Franchisee materially violates any applicable federal, state, or local law or regulation in connection with the operation of the Franchised Business;

10.2.10 Franchisee violates the territorial boundaries set forth in this Agreement and has previously received at least one (1) prior written notice of a territorial violation from Franchisor;

10.2.11 Franchisee under-reports Gross Revenue by three percent (3%) or more in any reporting period, as determined by Franchisor's audit or review of Franchisee's financial records;

10.2.12 Franchisee repeatedly conducts itself in an unprofessional manner in connection with the operation of the Franchised Business and has previously received at least two (2) prior written notices from Franchisor regarding unprofessional conduct;

10.2.13 Franchisee receives two (2) or more notices of default under this Agreement within any twelve (12) month period, regardless of whether such defaults were cured;

10.2.14 Franchisee fails to meet any Annual Performance Requirement as set forth in this Agreement;

10.2.15 Franchisee fails to comply with Franchisor's customer service standards on two (2) or more occasions within any twelve (12) month period, as determined by Franchisor in its reasonable judgment; or

10.2.16 Franchisee defaults under any other agreement between Franchisee and Franchisor or any affiliate of Franchisor, and such default entitles the counterparty to terminate that agreement in accordance with its terms.

10.3 <u>With Notice and Opportunity to Cure</u>. The following provisions are in addition to, and not in limitation of, any other rights and remedies Franchisor may have at law or in equity, all of which are expressly reserved. The exercise by Franchisor of any right or remedy shall not be deemed an election of remedies.

10.3.1 Except as otherwise provided elsewhere, this Agreement shall terminate upon Franchisee's failure to cure any default under this Agreement or the Manuals within the specified days identified below after notice thereof is delivered to Franchisee. In the event such default cannot reasonably be corrected within the days specified as deemed in Franchisor's sole but reasonable discretion, Franchisee shall undertake diligent efforts to comply and to furnish proof acceptable to Franchisor of such efforts within such period; provided, however, that in no event shall Franchisee's cure period exceed a total of 30 days.

10.3.2 Defaults subject to a <u>15-day</u> cure period include:

(1) Franchisee fails to make any payment of money owed to Franchisor when due, or fails to submit to Franchisor when due any report required pursuant to this Agreement. At Franchisor's election, in lieu of or in addition to termination, Franchisor may institute legal proceedings to recoup any outstanding money owed as provided herein at <u>Section 4.</u>

(2) Franchisee commits an act or omission, based on Franchisor's Reasonable Business Judgment, that may or has adversely affected the goodwill of the Marks, the Franchised Business, the System, or the reputation of Franchisor including the unauthorized use of the Marks.

(3) Franchisee defaults in the performance of any of the obligations assumed under <u>Section 7</u> of this Agreement (except as may be specifically referred to above).

(4) Franchisee fails to permit us to inspect or audit your books, records, or operations;

(5) Franchisee fails to satisfactorily complete any required training, onboarding, or continuing education requirements; or

(6) Franchisee fails to comply with Manuals or System Standards, including, but limited to maintaining required customer service and communication standards, such as a minimum 75% call answer rate on tracked phone lines.

10.3.3 Franchisee fails to perform any obligation assumed by it under this Agreement or as required in the Manuals other than those specifically referred to above and fails to cure fully such Default with <u>30</u> <u>days</u> following notice to Franchisee.

10.4 <u>No Waiver</u>. The description of any Default in any notice served upon Franchisee shall in no way preclude Franchisor from specifying additional or supplemental defaults in any action, hearing or suit relating to this Agreement or the termination hereof.

11 <u>RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION</u>

11.1 <u>Payment of Amounts Owed to Franchisor</u>. Franchisee shall promptly pay to Franchisor within five (5) days after the effective date of termination or expiration of this Agreement all sums owing, including without limitation any amounts owed under any outstanding loan agreement or promissory note or related to any customer warranty obligation expenses and customer refunds. Termination or expiration of this Agreement under any circumstances shall not relieve Franchisee of any debt, obligation, or liability of Franchisee to Franchisor that may have accrued hereunder.

11.2 **Disaffiliation with Franchised Business.** Franchisee shall assist Franchisor in every way possible to bring about an immediately effective, complete and orderly transfer of the Franchised Business. Franchisee shall cease acting as an authorized dealer for any approved or designated vendors, suppliers, or manufacturers, including without limitation for Franchisor's approved or designated stairlift and ramp manufacturers. Franchisee specifically agrees that as between Franchisor and Franchisee, Franchisor has the sole right to and interest in all telephone numbers and directory listings associated with any Mark. Franchisee thus agrees to cooperate fully with Franchisor to assign immediately to Franchisor any and all business telephone numbers used by Franchisee and/or Franchisee's employees in connection with the Franchised Business. Such cooperation specifically includes that within five (5) days of transfer, termination or expiration of this Agreement, Franchisee must notify the telephone company and all directory listing agencies, including those on the Internet, of the termination of Franchisee's right to use any telephone number and any classified or other telephone directory listing associated with the Marks and shall authorize transfer of same to franchisor or any third party designated by Franchisor.

11.3 **Marks and Proprietary Information.** After the termination or expiration of this Agreement, Franchisee shall:

11.3.1 Immediately discontinue the use of all Marks, and any other names, marks or signs that may be confusingly similar thereto.

11.3.2 Take affirmative steps to immediately remove all references on the Internet that identify Franchisee and its business (or former business) as being associated or affiliated with the LIFTOLOGY System or Franchisor in any way whatsoever, including but not limited to directory listings, contact information or association listings, or on any website, blog, vlog, social network or other on-line venue or communication on the Internet.

11.3.3 Immediately cease use of any item, equipment, method, process or procedure associated with the System or any of Franchisor's Confidential Information in any other business or otherwise.

11.3.4 Immediately discontinue and return to Franchisor all supplies and materials containing any reference to Franchisor or the Marks, and to cancel any pending advertising and discontinue future advertising, print and online, which refers to or connotes any relationship, whether current or past, between Franchisee and Franchisor.

11.3.5 Immediately discontinue and return to Franchisor any materials created by Franchisee during the Term of this Agreement containing any Marks or other proprietary or Confidential Information of Franchisor whether copyrighted or not and whether changed, improved and further developed from time to time by Franchisee. This shall include the return to Franchisor (at Franchisee's expense) the Manuals and any other materials that have been loaned to Franchisee, including copies of, or any component thereof, in any form.

11.3.6 Maintain the confidentiality and not disclose to any person any of the Confidential Information furnished to Franchisee pursuant to this Agreement or in connection with the operation of the Franchised Business.

11.4 No Association with Franchisor or System. Franchisee shall not directly or indirectly at any time or in any manner identify Franchisee, its Owner or any business with which Franchisee or its Owner is affiliated, as a current or former franchisee or licensee of Franchisor, or as otherwise associated with LIFTOLOGY or the System, or use any license issued to Franchisor or any Mark, any imitation thereof or other indicia in any manner or for any purpose, or utilize for any purpose any trade name, trade or service mark or other commercial symbol that suggests or indicates a connection or association with Franchisor.

11.5 Cancel Business Names. Franchisee shall take such action as may be required to terminate or cancel any state or jurisdictional registration or filing of any d/b/a or assumed name or trade or fictitious or equivalent name or any other registration or filing containing the Marks so as to delete the Marks and all references to anything associated with the Liftology Business or System.

11.6 Software. Franchisee shall immediately discontinue the use of all proprietary software and provide to Franchisor access as an authorized user to all software accounts utilized by Franchisee in the operation of the Franchised Business, at Franchisor's expense; and to refrain for a period of eighteen (18) months following the transfer, expiration or termination of this Agreement for any reason, or the date on which Franchisee ceases to conduct the Franchised Business, whichever is later, from using any generic version of the same software system as was used with the Franchised Business, including, but not limited to, office management software.

11.7 Other Efforts. Comply with all further post termination requirements as may be set forth in the Manuals.

11.8 Non-Competition Covenants.

11.8.1 Definition.

(1) Unless otherwise specified, the term "**Franchisee**" as used in this section shall include, collectively and individually, all officers, directors, and Owners, and of any corporation directly or indirectly controlling Franchisee, if Franchisee is an Entity; and the general partners and any limited partner (including any corporation and the officers, directors, and holders of a beneficial interest of securities, or an Entity that controls, directly or indirectly, any general or limited partner, if Franchisee is a partnership.

(2) **"Restricted Person"** shall mean Franchisee, and each of its Owners, and the respective officers, directors, and managers of each of them, and the spouse and family members residing in the same household of each of the foregoing who are individuals.

(3) **Competitive Business** shall mean any business where five percent (5%) or more of its gross revenues are derived from products or services that are the same as or substantially similar to those offered by the Franchised Business or are deemed competitive with the Franchised Business, including, without limitation, businesses engaged in the sale, installation, or service of mobility equipment, accessibility equipment, residential or commercial access solutions, construction or remodeling services relating to accessibility, or similar services.

11.8.2 Covenants. The intention of the parties in this section is to limit Franchisee's right to compete only to the extent necessary to protect Franchisor from unfair competition. Franchisee covenants that:

(1) During the Term of this Agreement, no Restricted Person shall directly or indirectly divert or attempt to divert any business or customer of the Franchised Business to any competitor of Franchisee or otherwise.

(2) During the Term of this Agreement, no Restricted Person shall, without Franchisor's prior written consent, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, or legal Entity, own, advise, operate, engage in, be employed by, make loans to, or have any interest in or relationship or association with any Competitive Business.

(3) Commencing upon the date of: (i) a Transfer permitted under this Agreement, (ii) the expiration of this Agreement or (iii) the termination of this Agreement (regardless of the cause for termination), and continuing for an uninterrupted period of 24 months thereafter, no Restricted Person shall, without Franchisor's prior written consent, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, or legal Entity, own, advise, operate, engage in, be employed by, make loans to, or have any interest in or relationship or association with any Competitive Business at any location (a) within a radius of twenty-five (25) miles of the Licensed Service Area described in the Data Sheet in which Franchisee's Business is located; or (b) within any other franchisee's Licensed Service Area whether franchised or owned by Franchisor or any affiliate of Franchisor, based on where the Liftology Business or its affiliated franchisees are operating as of the date of expiration or termination of this Agreement.

(4) Commencing upon the date of: (i) a Transfer permitted under this Agreement, (ii) the expiration of this Agreement or (iii) the termination of this Agreement (regardless of the cause for termination), and continuing for an uninterrupted period of eighteen (18) months thereafter, no Restricted Person shall, directly or indirectly solicit or perform services for any prior customer of the Franchised Business or any customer of any other LIFTOLOGY franchisee or an affiliate of Franchisor.

(5) Commencing on the date of: (i) a Transfer permitted under this Agreement, (ii) the expiration of this Agreement or (iii) the termination of this Agreement (regardless of the cause for termination), and continuing for an uninterrupted period of eighteen (18) months thereafter, no Restricted Person shall employ or seek to employ any person employed by Franchisor or any other LIFTOLOGY franchisee, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment.

11.8.3 Enforcement of Covenants. The foregoing covenants shall be construed independently of any other covenant or provision in the Franchise Agreement. The parties hereby expressly agree that if the scope of enforceability of the provision is disputed at any time by Franchisee, a court may modify this section to the extent that it deems necessary to make such provision enforceable under applicable law. 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, Franchisee shall 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 and made a part of the Franchise Agreement. In the event that Franchisee engages in the activities prohibited in this section in violation of said covenant, the 24-month period of non-competition shall extend beyond the 24-month anniversary date of termination or expiration of the Agreement for a period of time equal to the duration of Franchisee's violation of said covenant, but only to the extent necessary to insure that Franchisee refrains from competition for a full 24 months period and not longer. In the event Franchisor seeks an injunction in court to enforce the covenant to compete, the time period during which competition is restrained shall not begin to run until the earlier of: (1) the date Franchisor obtains said injunction; or (2) the date Franchisee begins to comply with the covenant not to compete.

11.8.4 Covenants to be Signed by Other Employees. Franchisor reserves the right to require Franchisee's managers, employees, independent contractors and all other personnel receiving training from Franchisor to execute similar covenants in a form satisfactory to Franchisor.

11.8.5 Modification of Covenants. Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant or obligation of Franchisee set forth in the Franchise Agreement, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee shall comply with any covenant as to modified, which shall be fully enforceable.

11.9 Costs and Attorneys' Fees. Franchisee shall reimburse Franchisor for all actual costs and expenses, including reasonable attorneys' fees, incurred by Franchisor in connection with enforcing any provision of this Agreement or any other agreement between Franchisor and Franchisee, including without limitation costs and expenses incurred in connection with any demand, negotiation, arbitration, mediation, litigation, or other proceeding arising out of or relating to this Agreement or Franchisee's obligations thereunder. All such costs, expenses, and attorneys' fees are due and payable by Franchisee upon Franchisor's demand. Upon the expiration or termination of this Agreement for any reason, Franchisee shall additionally reimburse Franchisor for all actual costs and expenses incurred by Franchisor in connection with: (i) de-identifying the Franchised Business, including without limitation the removal or modification of any signage, trade dress, branded materials, or other indicia of the franchise system; and (ii) enforcing Franchisee's post-termination obligations under this Agreement, including without limitation obligations relating to non-competition, non-solicitation, confidentiality, and the return or destruction of Franchisor's proprietary materials and Confidential Information. All such post-termination costs and expenses are due and payable by Franchisee upon Franchisor's demand and shall survive the expiration or termination of this Agreement.

12 <u>DISPUTE RESOLUTION</u>

12.1 <u>Choice of Law.</u> This Agreement shall be interpreted and construed under the laws of the State of Utah. In the event of any conflict of law, the laws of Utah shall prevail, without regard to the application of Utah of law rules. If, however, any provision of this Agreement would not be enforceable under the laws of Utah, and if the Franchised Business is located outside of Utah and such provision would be enforceable under the laws of the state in which the Franchised Business is located, then such provision shall be interpreted and construed under the laws of that state.

12.2 <u>Venue</u>. After the exhaustion of those procedures outlined in Section 12.5, the Parties agree that any action brought by either Party against the other in any court, whether federal or state, shall be brought within the State of Utah in the county in which Franchisor has its principal place of business at the time the action is initiated, and the Parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

12.3 <u>Nonexclusivity of Remedy</u>. Except as explicitly stated in this Agreement, no right or remedy conferred upon or reserved to Franchisor or Franchisee is intended to be, nor shall be deemed, exclusive of any other right or remedy in this Agreement or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

12.4 Waiver; No Franchisee Right of Setoff. In no event shall Franchisee make any claim for money damages based on any claim or assertion that Franchisor has unreasonably withheld or delayed any consent or approval under this Agreement. Franchisee waives any such claim for damages. Franchisee may not claim any such damages by way of setoff, counterclaim or defense. Franchisee's sole remedy for the claim will be an action or proceeding to enforce the provisions of this Agreement, for specific performance or for declaratory judgment.

12.5 Internal Dispute Resolution; Mediation. Except as set forth in Section 12.6 below, the parties agree that any dispute, claim, or controversy arising out of or relating to this Agreement or the Franchised Business shall first be submitted to good faith negotiations between the parties. If the dispute is not resolved within thirty (30) days after written notice of the dispute, the Parties pledge to attempt first to resolve the "**Dispute**," which shall mean any controversy or claim arising out of or relating to this Agreement, pursuant to non-binding mediation conducted in accordance with the Commercial Mediation Rules of the American Arbitration Association, unless the Parties agree on alternative rules and a mediator within 15 days after either Party first gives notice of mediation. Mediation shall be conducted within the State of Utah in the county in which Franchisor has its principal place of business at the time the action is initiated, and shall be conducted and completed within 45 days following the date either Party first gives notice of mediation unless otherwise agreed to in writing by the Parties. The fees and expenses of the mediator shall be shared equally by the Parties. The mediator shall be disqualified as a witness, expert or counsel for either Party with respect to the Dispute and any related matter. Mediation is a compromise negotiation and shall constitute privileged communications under Utah and other applicable laws. The entire mediation process shall be confidential and the conduct, statements, promises, offers, views and opinions of the mediator and the Parties shall not be discoverable or admissible in any legal proceeding for any purpose; provided, however, that evidence which is otherwise discoverable or admissible shall not be excluded from discovery or admission as a result of its use in the mediation. Notwithstanding anything to the contrary set forth in this Agreement, either Party that fails to reasonably cooperate in scheduling and completing a mediation within 45 days after giving or receiving notice thereof shall be precluded from recovering costs, expenses, and/or prevailing Party's attorneys' fees in any subsequent legal proceeding. If the parties are unable to resolve the dispute through mediation, either party may pursue any remedies available at law or in equity.

12.6 Injunctive Relief. Without resolving any controversy via mediation as discussed in Section 12.5 above, Franchisor is permitted to immediately seek injunctive relief or other equitable relief necessary to enjoin any harm or threat of harm to the Marks, confidential and/or trade secret information, or noncompetition covenants.

12.7 WAIVER OF JURY TRIAL. EACH PARTY IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER PARTY.

12.8 Limitation of Damages. Except as explicitly provided in this Agreement, for any claim concerning performance or non-performance by either Party pursuant to, or in any way related to the subject matter of this Agreement, any Party's sole liability, if any, shall be limited by actual damages. For any claim that arises out of or in connection with this Agreement, whether such claim is in contract, tort or otherwise, except as otherwise explicitly provided herein, under no circumstances shall either party be liable for indirect, exemplary, incidental, consequential, aggravated or punitive damages, including, but not limited to, loss of anticipated income, profits or savings, or loss resulting from business interruption.

12.9 Limitation of Claims. Except for claims against Franchisee concerning the underreporting of Gross Revenue, for non-payment of any fee due under this Agreement, intellectual property infringement/violations, claims for violation of post-termination obligations, including, but not limited to, a breach of the covenant not to compete, and for claims against Franchisee by Franchisor relating to indemnification or other third party claims or suits brought against Franchisor as a result of Franchisee's operation of the Franchised Business, any and all claims and actions arising out of or relating to this Agreement, the relationship of Franchisee and Franchisor, or Franchisee's operation of the Franchised Business, brought by either Party against the other, shall be commenced within one year (1) year from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred. The Parties hereby waive to the fullest extent permitted by law any right to or claim of any punitive or exemplary damages against the other and agree that if of a dispute between them each shall be limited to the recovery of any actual damages sustained by it.

12.10 Liquidated Damages.

12.10.1 Franchisee acknowledges and agrees that in the event of: (a) Franchisee's cessation of operations prior to the expiration of the term of this Agreement; (b) Franchisee's early termination of this Agreement without cause; (c) Franchisee's unauthorized disclosure of Franchisor's Confidential Information or proprietary information; or (d) Franchisee's breach of the non-competition or non-solicitation covenants set forth in this Agreement (each, a "**Triggering Event**"), the actual damages sustained by Franchisor would be difficult or impossible to ascertain with certainty at the time of contracting. The parties therefore agree that the liquidated damages amount set forth in this Section represents a reasonable estimate of the harm that Franchisor would suffer upon the occurrence of a Triggering Event, and not a penalty.

12.10.2 Upon the occurrence of any Triggering Event, Franchisee shall pay to Franchisor, as liquidated damages and not as a penalty, a deferred training fee (the "Liquidated Damages Amount") equal to thirty percent (30%) of Franchisee's average annual Gross Revenue during the three (3) calendar years immediately preceding the Triggering Event, or, if Franchisee has not operated under a Franchise Agreement for a full three (3) year period, the average annual Gross Revenue for the period during which Franchisee has operated. The Liquidated Damages Amount shall be due and payable in full within thirty (30) days of the date of the Triggering Event. Any unpaid portion of the Liquidated Damages Amount shall accrue interest at the rate of eighteen percent (18%) per year, or the maximum rate permitted by applicable law, whichever is less, calculated daily from the due date until paid in full.

12.10.3 Franchisee acknowledges and agrees that: (i) Franchisor provided Franchisee with initial training and ongoing support, the value of which is difficult to quantify and which is not fully compensated by the initial franchise fee; (ii) the Liquidated Damages Amount represents partial compensation to Franchisor for the value of such training and support, and for the loss of future royalties, the disruption to the franchise system, and the harm to the Marks and goodwill associated with the System resulting from the Triggering Event; (iii) Franchisee had the opportunity to consult with legal counsel prior to executing this Agreement; and (iv) Franchisee entered into this provision voluntarily and with full understanding of its terms.

12.10.4 The Liquidated Damages Amount constitutes a partial remedy only and shall not limit or preclude Franchisor from pursuing any other right or remedy available to it at law or in equity, including without limitation injunctive relief, specific performance, or recovery of actual damages to the extent they exceed the Liquidated Damages Amount. Franchisor's election to pursue liquidated damages shall not constitute an election of remedies or a waiver of any other right or remedy.

12.10.5 If any court of competent jurisdiction determines that the Liquidated Damages Amount is unenforceable as a matter of law, the parties agree that such court shall have the authority to modify the Liquidated Damages Amount to the maximum amount enforceable under applicable law, and the remaining provisions of this Section shall remain in full force and effect. Franchisee expressly waives any right to argue that this provision constitutes an unenforceable penalty.

12.10.6 The obligations set forth in this Section shall survive the expiration or termination of this Agreement for any reason.

12.11 Additional Remedies for Breach. Franchisee acknowledges that if Franchisee breaches this Agreement and/or improperly discloses proprietary information and/or continues to utilize the Marks or Confidential Information at such times when Franchisee is not legally entitled to use them or breaches the provisions of the covenants not to compete, Franchisor shall not have a sufficient and adequate remedy at law to render it whole. Therefore, Franchisee expressly consents and agrees that Franchisor may, in addition to any other available remedies, obtain an injunction and/or temporary restraining order to terminate or prevent the continuation of any existing default or violation, and to prevent the occurrence of any threatened default or violation by Franchisee of this Franchise Agreement.

12.12 Costs of Enforcement or Defense. If Franchisor or Franchisee is required to enforce this Agreement, in any forum, judicial proceeding or appeal thereof, the party prevailing in such proceeding shall be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accounting and attorneys' fees (whether such fees be incurred by outside counsel or a staff attorney), administrative charges, and any other costs and expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce the obligations of this Agreement. If Franchisor incurs any other expense in connection with Franchisee's failure to pay when due amounts owing to Franchisor; to accurately state or report Gross Revenues or other required information and data when due ; failure to comply with post-termination obligations, including the covenant not to compete; or any other failure to comply with this Agreement, Franchisee shall reimburse Franchisor for any such costs and expenses that it incurs including but not limited to attorneys' and accounting fees and collection agency fees. Further, all outstanding amounts due to Franchisor shall, at Franchisor's election, accrue interest at a per annum rate of one-and-a-half percent (1½ %) per month or the maximum permitted by law, whichever is greater, to compensate Franchisor for costs incurred when payments are received late or Franchisee fails to accurately state or report Gross Revenues or other required information and data when due.

12.13 Survival. All rights and obligations contained in this Agreement that expressly or by their nature survive the transfer, expiration or termination of this Agreement shall continue in full force and effect subsequent to and notwithstanding the transfer, expiration or termination of this Agreement until they are satisfied in full or by their nature expire.

13 GENERAL

13.1 Grammar, Section Headings and Schedules. The singular of any noun or pronoun shall include the plural, or vice versa, wherever the context requires. Section headings are for convenience of reference only and shall not be construed as part of this Agreement nor shall they limit or define the meaning of any provision of this Agreement. The terms of all Schedules attached to this Agreement are incorporated into this Agreement by reference.

13.2 Non-Waiver. No failure by either Party to take action on account of any default of the other Party, or of a similar default of another franchisee, whether in a single instance or repeatedly, and no course of dealing of the Parties or by Franchisor with other franchisees in variance with the terms hereof constitutes a waiver of any such default or of the performance required of either Party by this Agreement.

No express waiver by either Party of any provision or performance under this Agreement or of any default by the other Party constitutes a waiver of any other or future provision, performance or default. No waiver or extension of time shall be effective unless expressly contained in a writing signed by the waiving Party. Franchisor may in its discretion elect from time to time to waive obligations of Franchisee under this Agreement upon such terms and conditions as Franchisor determines in its discretion. No acceptance of performance or payments from Franchisee shall be deemed to be a waiver by Franchisor of any preceding or succeeding breach by Franchisee of any terms or conditions of this Agreement. No mediation shall delay, suspend, or prevent either Party from exercising its right to terminate this Agreement at the time and in the manner set forth in Section 10 of this Agreement.

13.3 Invalidity and Severability. If any provision of this Agreement is determined to be invalid or unenforceable, either in its entirety or by virtue of its scope or application to given circumstances, such provision shall be deemed modified to the extent necessary to render the same valid, or as not applicable to the given circumstances, or to be excised from this Agreement, as the situation may require, and this Agreement shall be construed and enforced as if such provision had been included in this Agreement as so modified in scope or application, or had not been included in this Agreement, as the case may be, it being the stated intention of the Parties that had they known of such invalidity or unenforceability at the time of entering into this Agreement, they would have nevertheless contracted upon the terms contained in this Agreement, either excluding such provisions, or including such provisions only to the maximum scope and application permitted by law, as the case may be.

13.4 Notices. All notices shall be in writing and shall be served in person, by overnight delivery or express mail, by certified mail or by electronic transmission delivery. Service shall be deemed conclusively made:

i) at the time of service, if personally served; (ii) twenty-four (24) hours (exclusive of weekends and national holidays) after delivery if by overnight delivery or express mail; (iii) upon the earlier of actual receipt or three (3) calendar days after deposit in the United States regular mail, properly addressed and postage prepaid, return receipt requested; and (iv) one (1) business day after email or other electronic transmission.

Any notice or demand to Franchisor shall be given to:

LIFTOLOGY Franchise Corporation
244 W 300 N
Suite 100
Salt Lake City, Utah 84103
Email: DAVE@LIFTOLOGY.COM

WITH A COPY TO (WHICH SHALL NOT CONSTITUTE NOTICE:

Faegre Drinker Biddle & Reath LLP
2200 Wells Fargo Center
90 South Seventh Street
Minneapolis, Minnesota 55402, USA
ATTN: Brian B. Schnell, Esq.
Email: brian.schnell@faegredrinker.com

Any notice to Franchisee shall be given at the address appearing on the Data Sheet, unless and until a different address has been designated by written notice to the other Party. Any Party may change its address for the purpose of receiving notices, demands and other communications by a written notice given in the manner set forth above to the other Party.

13.5 **Entire Agreement**. This Agreement, any documents executed contemporaneously herewith that expressly reference this Agreement and any documents referred to in this Agreement constitute and contain the entire Agreement and understanding of the Parties with respect to the subject matter hereof. There are no representations, undertakings, agreements, terms, or conditions not contained or referred to in this Agreement. This Agreement supersedes and extinguishes any prior written agreement between the Parties relating to the subject matter hereof. This Agreement may not be modified or amended except by a written amendment executed by both Parties. Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim representations Franchisor made to Franchisee in the applicable Franchise Disclosure Document.

13.6 **Relationship of Parties**. Nothing contained in this Agreement shall be deemed or construed to create the relationship of principal and agent, partnership, joint venture or employment, or a fiduciary relationship, and Franchisee shall not hold itself out as an agent, legal representative, partner, subsidiary, joint venturer, servant or employee of Franchisor or any affiliate of Franchisor. With respect to all matters pertaining to the operation of the Franchised Business, Franchisee is, and shall be, an independent contractor. Neither Franchisor nor Franchisee has the right to bind or obligate the other to any obligations or debts. Franchisee is the independent owner of its business, shall be in full control of its day-to-day operations, and shall conduct such business in accordance with its own judgment and discretion, subject the provisions of this Agreement and any applicable Manual to the extent necessary for Franchisor to protect the integrity of the Marks and the LIFTOLOGY brand. Franchisee shall conspicuously identify itself as the independent owner of its business and as an independent franchisee of Franchisor. Neither Party hereto shall be obligated by, or have any liability for, any agreements, representations or warranties made by the others nor shall Franchisor be liable for any damages to any person or property, directly or indirectly, arising out of the operation of the Franchised Business, whether caused by Franchisor's negligent or willful action or failure to act.

13.7 **Compliance with Applicable Law**. If any applicable statute, law, rule regulation, ordinance, policy and procedure established by any governmental authority, governing the operation of the Franchised Business as in effect on the Effective Date, as may be amended, supplemented or enacted from time to time (**"Applicable Law"**) requires a greater prior notice of the termination of, or refusal to renew, this Agreement than is required under this Agreement, the prior notice or other action required by such Applicable Law shall be substituted for the notice or other requirements hereof. Such modifications to this Agreement shall be effective only in such jurisdiction and shall be enforced as originally made and entered into in all other jurisdictions. Franchisor reserves the right to challenge the applicability of any such Applicable Law.

13.8 **Counterparts and Electronic Copies**. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Signatures transmitted electronically or by facsimile will be deemed original signatures. Electronic copies of this Agreement shall constitute and be deemed an original copy of this Agreement for all purposes, provided that such electronic copies are fully executed, dated and identical in form to the original hard copy version of this Agreement.

13.9 **Atypical Terms**. Franchisee and its Owners acknowledge and agree that Franchisor may modify the offer of its franchises to other franchisees in any manner and at any time and those offers may have different terms, conditions, and obligations than the terms, conditions, and obligations in this Agreement. Franchisee and its Owners further acknowledge and agree that Franchisor has made no warranty or representation that all Franchise Agreements previously issued or issued after this Agreement by Franchisor do or will contain terms substantially similar to those contained in this Agreement. Franchisor may, in its reasonable business judgment and its sole and absolute discretion, due to local business conditions or otherwise, waive or modify comparable provisions of other Franchise Agreements previously executed or executed after the Effective Date with other franchisees in a non-uniform manner.

13.10 **Anti-Terrorism Laws**. Franchisee shall comply with, and/or assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with the "**Anti-Terrorism Laws**," which shall mean Executive Order 13224 issued by the President of the United States, the USA Patriot Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and any other requirements of any Governmental Authority addressing or in any way relating to terrorist acts and acts of war. Franchisee and its Owners certify, represent and warrant that none of their property or interests is subject to being blocked under any of the Anti-Terrorism Laws and that neither Franchisee nor its Owners are otherwise in violation of the Anti- Terrorism Laws. Any violation of the Anti-Terrorism Laws by Franchisee or Franchisee's employees or any "blocking" of Franchisee's assets under the Anti-Terrorism Laws constitute grounds for immediate termination of this Agreement and any other agreements Franchisee has entered into with Franchisor or any of its affiliates, in accordance with the provisions of this Agreement. Franchisee shall notify Franchisor by telephone within 24 hours, and confirm in writing within 2 days after receiving notice of an investigation or violation of any Anti- Terrorism Laws, and notify Franchisor in writing within 3 days of the commencement of any other litigation or proceeding that may adversely affect the operation or financial condition of the Franchised Business.

[Signature Page Immediately Follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first shown above.

FRANCHISOR:
LIFTOLOGY FRANCHISE CORPORATION,
a Utah Corporation

By: ____

Its: ____

FRANCHISEE:
____,
[ ] an individual;
[ ] a _______________general partnership; [ ] a
___________________limited partnership;
[ ] a _______________limited liability company; [
] a ________________corporation

By:____

Its: ____

DATA SHEET

1. Initial Fees.

- Initial Franchise Fee: _________
- Initial Territory Fee: __________
- Initial Marketing Fee: $5,000
- Initial Training Fee: $4,500
- Initial Software License Fee: $1,500

2. **Franchise Location.** As stated in Section 2.1 of the Franchise Agreement, the Franchised Location is: ____
____

3. **Licensed Service Area.** As stated in Section 2.1 of the Franchise Agreement, the Licensed Service Area under this Agreement shall mean to include the following zip codes and map area: _
____

4. **Agreement Effective Date.** As stated in Section 2.1, the term of this Agreement shall commence on the following date: _______________("**Agreement Effective Date**").

5. **Minimum Annual Performance Requirement**. The Minimum Annual Performance Requirement referred to in Section 2.1.3 of the Agreement, is that Franchisee must achieve a minimum of (1) **$0.35** in monthly Gross Revenue per person of population beginning in the second year and third year of operations; and (2) **$0.70** in monthly Gross Revenue per person of population beginning in the fourth year of operations and continuing through the tenth year of operations.

6. **Technology Fee: $500** per month per location, which can be increases as set forth in Section 4.4 of the Agreement.

7. **CRM Fee**: **$375** per month

8. **Entity Information:** If Franchisee is an Entity, identify name of Franchisee Entity: ____.

   Franchisee represents and warrants that the following information is accurate and complete in all material respects:

   Franchisee is a (check as applicable): [ ] sole proprietor
   [ ] corporation
   [ ] limited liability company [ ] general partnership
   [ ] limited partnership
   [ ] Other (specify): __________________________________

Franchisee shall provide to Franchisor concurrently with the execution hereof true and accurate copies of its entity records: Articles of Incorporation, Bylaws, Operating Agreement, Partnership Agreement, resolutions authorizing the execution hereof, and any amendments to the foregoing ("**Entity Records**").

9. **Ownership:** Regardless of whether Franchisee is an Entity, Franchisee represents and warrants that the following ownership information is accurate and complete in all material respects:

Franchisee promptly shall notify Franchisor of any changes in ownership. Franchisee shall also provide such additional information as Franchisor may from time to time request concerning all persons who may have any direct or indirect financial interest in Franchisee.

The name and address of each of Franchisee and its Owners and their ownership interests in Franchisee are:

Ownership percentages as (check one): __Individuals _ Entity

NAME	ADDRESS	PERCENTAGE OWNERSHIP INTEREST

Identify the Managing Owner:

NAME	ADDRESS	TITLE

The address where Franchisee's Financial Records and Entity Records are maintained is:________ ______________.

FRANCHISEE:

____,

[ ] an individual;
[ ] a ________________general partnership; [ ] a ____________________limited partnership;
[ ] a ________________limited liability company; [ ] a _________________corporation

By:____

Its: ____

FRANCHISOR:

Liftology Franchise Corporation,
a Utah Corporation

By: ____

Its: ____

SCHEDULE B PERSONAL GUARANTY

As an inducement to **Liftology Franchise Corporation**, a Utah corporation ("**Franchisor**"), to execute the Franchise Agreement with Franchisee as identified on the Data Sheet at Schedule A, dated _______, 20_, and in consideration of Franchisor executing the Franchise Agreement, Guarantors jointly and severally agree as follows:

- Guarantors shall pay or cause to be paid to Franchisor all monies payable by Franchisee under the Franchise Agreement on the date and in the manner required for payment.

- Guarantors unconditionally guarantee full performance and discharge by Franchisee of all of the obligations of Franchisee under the Franchise Agreement on the date and in the manner required.

- Guarantors shall indemnify and save harmless Franchisor, and each of their respective shareholders, directors, employees, affiliates and agents (collectively "**Indemnitees**") against and from all losses, damages, costs, and expenses which the Indemnitees may sustain, incur, or become liable for by reason of the failure for any reason whatsoever of Franchisee to pay the monies payable pursuant to the Franchise Agreement or to do and perform any other act, matter or thing required by the Franchise Agreement, and any act, action, or proceeding of or by Franchisor for or in connection with the recovery of monies or the obtaining of performance by Franchisee of any other act, matter or thing required by the Franchise Agreement.

- Franchisor shall not be obligated to proceed against Franchisee or exhaust any security from Franchisee or pursue or exhaust any remedy, including any legal or equitable relief against Franchisee, before proceeding to enforce the obligations of the Guarantors of this Agreement set out, and the enforcement of such obligations may take place before, after, or contemporaneously with, enforcement of any debt or obligation of Franchisee under the Franchise Agreement.

- Without affecting the Guarantors' obligations under this Guaranty, Franchisor, without notice to the Guarantors, may extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust, or compromise any claims against Franchisee. Guarantors waive notice of amendment of the Franchise Agreement and notice of demand for payment or performance by Franchisee.

- Guarantors' obligations under this Agreement shall remain in full force and effect, and shall be unaffected by: (i) the unenforceability of the Franchise Agreement against Franchisee; (ii) the termination of any obligations of Franchisee under the Franchise Agreement by operation of law or otherwise; (iii) the bankruptcy, insolvency, dissolution, or other liquidation of Franchisee, including, without limitation, any surrender or disclaimer of the Franchise Agreement by the trustee in bankruptcy of Franchisee; (iv) Franchisor's consent or acquiescence to any bankruptcy, receivership, insolvency, or any other creditor's proceedings of or against Franchisee, or by the winding-up or dissolution of Franchisee, or any other event or occurrence which would have the effect at law of terminating the existence of Franchisee's obligations before the termination of the Franchise Agreement; or (v) by any other agreements or other dealings between the Parties having the effect of amending or altering the Franchise Agreement or Franchisee's obligations under this Agreement, or by any want of notice by Franchisor to Franchisee of any default of Franchisee or by any other matter, thing, act, or omission of Franchisor whatsoever.

- ALL DISPUTES INVOLVING A GUARANTOR (WHETHER OR NOT RELATED TO THIS GUARANTEE) SHALL BE ADJUDICATED AND RESOLVED IN ACCORDANCE WITH THE PROVISIONS APPLICABLE TO FRANCHISEE THAT ARE SET FORTH IN THE FRANCHISE AGREEMENT, WHICH, AMONG OTHER THINGS, INCLUDES MEDIATION OF MOST DISPUTES, A MUTUAL WAIVER OF TRIAL BY JURY IN ANY COURT PROCEEDINGS, LIMITATIONS ON

THE TIME WITHIN WHICH TO COMMENCE AN ACTION, AND A WAIVER TO THE EXTENT PERMITTED BY LAW OF ANY RIGHT TO OR CLAIM OF ANY PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL DAMAGES.

- The provisions of Section 13.4 of the Franchise Agreement shall apply to any notice to either Party, except that notice to Guarantors shall be as follows:

Name	**Address**
______________________	______________________
	______________________
______________________	______________________
	______________________

IN WITNESS WHEREOF, each of the undersigned has signed this Guaranty on the date set forth adjacent to his or her signature.

GUARANTORS:

______________________ Dated:______________

______________________ Dated:______________

SCHEDULE C
Electronic Transfer of Funds Authorization

Franchisee:________________________________ Location: ________________________________

NEW	CHANGE

Date:____________________________________ Attention: Bookkeeping Department

The undersigned hereby authorizes LIFTOLOGY FRANCHISE CORPORATION or any affiliated entity (collectively, "**Franchisor**") to initiate ACH debit entries against the account of the undersigned with you in payment of amounts for Royalty Fees, Marketing Contribution or other amounts that become payable by the undersigned to Franchisor. The dollar amount to be debited per payment will vary.

Subject to the provisions of this letter of authorization, you are hereby directed to honor any such ACH debit entry initiated by Franchisor.

This authorization is binding and will remain in full force and effect until 90 days prior written notice has been given to you by the undersigned. The undersigned is responsible for, and must pay on demand, all costs or charges relating to the handling of ACH debit entries pursuant to this letter of authorization.

Please honor ACH debit entries initiated in accordance with the terms of this letter of authorization, subject to there being sufficient funds in the undersigned's account to cover such ACH debit entries. Sincerely Yours,

*** We also need a VOIDED Check *** Account Name ________________________________

________________________________ Bank Name

________________________________ Street Address

________________________________ Branch

________________________________ City State Zip Code

________________________________ Street Address

________________________________ Telephone Number

________________________________ City State

By________________________________ Its

________________________________ Zip Code Bank

________________________________ Date

________________________________ Telephone Number

____

Bank's Account Number

________________________________ Customer's Account Number

SCHEDULE D
Power of Attorney and Assignment of Telephone Number Agreement

Power of Attorney

KNOW ALL MEN BY THESE PRESENTS, that the undersigned ____, a ______________________________, does hereby make, constitute and irrevocably appoint LIFTOLOGY FRANCHISE CORPORATION and its officers, directors, agents and representatives, and each or any one of them, the undersigned's true and lawful agents and attorneys-in-fact (collectively, the "Attorney-in-Fact"), with power of substitution, for the undersigned and in the undersigned's name, place and stead, to conduct, direct, control and participate in all lawful business dealings of any nature or kind related to the undersigned's use of all telephones, telephone numbers, telecopy numbers and telephone listings used by the undersigned in connection with that certain LIFTOLOGY ® franchised business operated by the undersigned (collectively, the "Telephone Numbers"). The undersigned and any and all holders of the aforementioned Telephone Numbers grant unto the Attorney-in-Fact full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted, including, without limitation, the power to transfer or substitute the account holder of such Telephone Numbers to the name of the Attorney-in-Fact.

The undersigned acknowledges that LIFTOLOGY and the associated marks are solely the property of LIFTOLOGY FRANCHISE CORPORATION. As such, the undersigned's right to use the Telephone Numbers was solely due to a limited license granted by LIFTOLOGY FRANCHISE CORPORATION. Upon the expiration and/or termination of said license, undersigned will have no rights in or to the Telephone Numbers.

Until such time as LIFTOLOGY FRANCHISE CORPORATION designates otherwise, the undersigned hereby agrees to assume all of the terms, covenants and conditions of the telephone company with respect to such Telephone Numbers as if the undersigned had been originally issued such Telephone Numbers, and the usage thereof.

IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand this __ day of _________________, 20__.

____
[FRANCHISEE PRINCIPAL]

SWORN TO before me this ________________day of ___________, 20_____.

Notary Public: ____

Assignment of Telephone Number Agreement

Franchisee (Assignor): ____, in consideration of the granting of a franchise to Assignor contemporaneously herewith, hereby assigns unto LIFTOLOGY FRANCHISE CORPORATION (Franchisor/Assignee) all telephones, telephone numbers, telecopy numbers, and telephone listings utilized by Assignor in the operation of its LIFTOLOGY business (collectively, the "Telephone Numbers"). Assignor acknowledges that the LIFTOLOGY trademark and associated marks are solely the property of Franchisor/Assignee. As such, Assignor's right to use the Telephone Numbers associated with the LIFTOLOGY trademarks and service marks was solely due to a limited license granted by Assignee/Franchisor pursuant to the terms of an LIFTOLOGY Franchise Agreement entered into between Assignee/Franchisor and Assignor/Franchisee. Assignor acknowledges and agrees that upon the expiration and/or termination of the Franchise Agreement, Assignor will have no further right to use the Telephone Numbers and further agrees that the Telephone Numbers will be assigned to Assignee/Franchisor consistent with the terms set forth in this Agreement.

This Assignment shall constitute authorization to the appropriate telephone company that upon the expiration and/or termination of the Franchise Agreement noted above, it will change and transfer to Franchisor/Assignee all of Assignor's rights in and to the use of said Telephone Numbers and Assignor hereby irrevocably appoints and authorizes Franchisor/Assignee to act as Assignor's attorney-in-fact and hereby empowers Franchisor/Assignee to execute such instruments in the Assignor's name in order to give full effect to this Assignment and to effectuate any transfer.

As of the date that the appropriate telephone company transfers to Franchisor/Assignee all of Assignor's rights in and to the use of said Telephone Numbers, Assignee agrees to assume the performance of all of the terms, covenants and conditions of the telephone company with respect to such Telephone Numbers as if the Assignee had been originally issued such Telephone Numbers, and the usage thereof.

IN WITNESS WHEREOF, the parties have caused this Assignment of Telephone Number Agreement to be executed as of the Effective Date set forth below.

FRANCHISEE/ASSIGNOR:

____

By: _________________________

Date: _________________________

FRANCHISOR/ASSIGNEE:

LIFTOLOGY FRANCHISE CORPORATION

By: __________________________

Effective Date: _________________

SCHEDULE E

Credit Card Authorization

Franchisee ____________________________, whose business address is ____________________________________, hereby consents and permits Franchisor to charge ANY AND ALL fees which become due and payable under the terms and conditions of this Franchise Agreement (including but not limited to, royalty-service fees, marketing contributions, convention/meeting registration fees, material purchases, audit fees, insurance premiums, and late penalties and interest) to the credit card listed below.

This authorization is irrevocable and shall remain in effect for so long as the Franchise Agreement remains in effect.

In the event the credit card listed below expires or becomes unusable for any reason, Franchisee will supply Franchisor with updated valid credit card information. This new credit card will be subject to this authorization as if it has been in effect at the time this Agreement was signed.

CREDIT CARD INFORMATION:

Card Type (Circle One):

__AMEX _______VISA _______MASTERCARD _____DISCOVER

Card Number: ____

Expiration Date: ____

Security Code (If any): ____

FRANCHISEE:	**FRANCHISOR:**
____________________________	Liftology Franchise Corporation
By: ____________________________	By: __________________________
Date: ______________________	Date: _________________________

SCHEDULE F

Form Confidentiality and Personal Covenants Agreement

THIS CONFIDENTIALITY AND NONCOMPETITION AGREEMENT (this "**Agreement**") is entered into as of the __ day of ______________________________, 20_, by the undersigned individual (the "**Undersigned**") for the benefit of LIFTOLOGY FRANCHISE CORPORATION (the "**Franchisor**"), and if applicable, ____, a Franchisee of the LIFTOLOGY system (the "**Franchisee**") under that certain Franchise Agreement dated as of the ______day of _, 20 (the "**Franchise Agreement**"), whereby Franchisor granted a license to Franchisee to use the LIFTOLOGY trademark (the "**Mark**") and methods in connection with operating a business that provides home and commercial modifications for the disabled and individuals with limited mobility as well as additional contracting services, including assessments, evaluations, consultations, estimates and related general home improvement and home maintenance services (collectively, the "**System**").

R E C I T A L S:

A. The Undersigned is a prospective purchaser of an LIFTOLOGY franchise; or alternatively, is an owner, officer and/or director of Franchisee; or alternatively, the Undersigned is the spouse of one of the foregoing; as specified below with the Undersigned's signature (the "**Position**").

B. The Position will place the Undersigned in a position of trust and confidence in which the Undersigned will have access to and will receive certain confidential and proprietary information regarding the System and the business being conducted by Franchisor, Franchisee and other LIFTOLOGY franchisees, including without limitation operations and marketing manuals, trade secrets, information, know-how, ideas, techniques, research, methods, improvements and copyrighted materials, owned or developed by Franchisor, whether or not published, confidential or suitable for registration or copyright, and the goodwill associated with them, and information relating to System specifications, operating methods, equipment, standards, services, marketing and promotional programs, procedures and techniques which are not in the public domain or generally known in the industry related to providing home and commcercial modifications for the disabled and individuals with limited mobility as well as additional contracting services, including assessments, evaluations, consultations, estimates and related general home improvement and home maintenance services, and any other information and material which Franchisor may designate as confidential (collectively, the "**Information**").

C. The Undersigned consequently agrees that it is reasonable and necessary for the protection of the System and for the benefit of Franchisor to keep the Information confidential and not to compete with any LIFTOLOGY Business, all pursuant to the terms and conditions contained in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and conditions contained herein, and as an inducement to Franchisor or, if applicable, Franchisee, to divulge Information to the Undersigned as a prospective franchisee, or to enter into a Franchise Agreement with Franchisee, and/or in consideration of the Undersigned's relationship with Franchisee, the Undersigned agrees as follows:

1. Ownership of Information. The Undersigned expressly acknowledges that Franchisor has sole ownership of the Mark and the Information, including without limitation any applicable manuals and all information contained therein, and that the Information has been provided to the Undersigned in trust and confidence, and that no ownership in the same or in any goodwill relating to the same shall inure to the Undersigned by virtue of the Position.

2. **Confidentiality**. The Information, all information and knowledge about the System which is not in the public domain, and such other information and material as Franchisor may designate as confidential shall be deemed Information for purposes of this Agreement. The Undersigned agrees to keep all of the Information confidential, and to use the Information only for the purposes and in the manner authorized by the Franchisor. The Undersigned agrees that s/he will not, at any time, while holding the Position or thereafter, in any manner or form, directly or indirectly, disclose, duplicate, sell, or otherwise make known any Information, or any portion thereof, including without limitation Information concerning Franchisor, Franchisee, the Franchise Agreement, the System, other franchisees of Franchisor, or customers or suppliers of any of them, to any person or entity other than individuals in the System who have a need for the Information in order to perform their jobs.

3. **Usage.** The Undersigned agrees that s/he shall not, at any time: (a) use or display any names, marks, color combinations, designs, signs, symbols or other designations that are confusingly similar to the Mark in connection with any other business or activity in which the Undersigned has an interest except as authorized by Franchisor in writing; (b) engage in any trade practice or other activity that is harmful to the goodwill of, or reflects unfavorably upon the reputation of, Franchisor, Franchisee or the System, or which is in violation of any applicable law; or (c) directly or indirectly contest the validity or ownership of the Mark or the Information or the rights of Franchisor thereto.

4. **Return of Confidential Material.** If the Undersigned ceases to hold a Position as described in Paragraph A above, s/he shall promptly return to Franchisee or Franchisor all copies in any medium of anything containing or relating to the Information, and all property belonging to Franchisee and Franchisor, or either of them, in the Undersigned's possession, custody or control, including without limitation any of such items produced or prepared by the Undersigned.

5. **Noncompetition.** The Undersigned recognizes that: (a) the LIFTOLOGY business is competitive; (b) the LIFTOLOGY System is intended to be national in scope; (c) by virtue of his or her Position, the Undersigned will have access to and will receive certain confidential and proprietary information regarding the LIFTOLOGY System and the business being conducted by Franchisor for the purpose of maintaining and further developing the business and goodwill of the LIFTOLOGY System; (d) for these very reasons, the Position also provides the Undersigned with the attendant ability to divert customer trade; and (e) consequently, Franchisor and Franchisee have strong legitimate interests in obtaining the covenants herein for the protection of their respective businesses and goodwill. Therefore, without the express prior written consent of Franchisor and, if appropriate, Franchisee, which either may withhold, the Undersigned agrees that, neither the Undersigned, nor any person or entity under the Undersigned's control, nor any spouses or immediate family members of all such individuals, shall, during the Time Period (as defined in Paragraph 5.1 below), directly or indirectly, engage in any Prohibited Conduct (as defined in Paragraph 5.2 below) within the Area (as defined in Paragraph 5.3 below). The Undersigned expressly acknowledges that he or she possesses skills and abilities of a general nature and has other opportunities for exploiting those skills, so that enforcement of the covenants made in this Section will not deprive him or her of an ability to earn a living.

5.1 **Time Period.** For the purposes of Section 5 of this Agreement, the term "**Time Period**" shall mean: (a) the period that the Undersigned holds any Position with Franchisee; and (b) after the Undersigned no longer holds a Position with Franchisee, for a period of two (2) years.

5.2 **Prohibited Conduct.** For the purposes of Section 5 of this Agreement, the term "**Prohibited Conduct**" shall mean engaging in or owning, directly or indirectly, any business that specializes in or derives 5% or more of its sales from home or commercial modifications for the disabled and individuals with limited mobility as well as additional contracting services, including assessments, evaluations, consultations, estimates and related general home improvement and home maintenance services.

5.3 **Area.** For the purposes of Section 5 of this Agreement, the term "**Area**" shall include:
(a) the premises of Franchisee's LIFTOLOGY Business, (b) a radius of five (5) miles from the premises of Franchisee's Franchised Business; and (c) a radius of five (5) miles from any other LIFTOLOGY Business.

6. **Family Members.** The Undersigned agrees that his/her obligations hereunder shall apply to the Undersigned's spouse and other immediate family members.

7. **Modification.** Each of the covenants set forth in this Agreement shall be construed as independent of any other covenant or provision of this Agreement. Franchisor reserves the right to reduce the scope of the restrictions under any covenant unilaterally and without the consent of any other person or entity, effective upon giving notice thereof. In the event that any restriction contained in this Agreement is found to be unlawful as to scope or duration or otherwise invalid, it is the parties' intention that the provision not be declared ineffective in its totality, but that the provision be declared invalid only to the extent of the illegality, and that the provision continue, as so revised, in full force and effect. This Agreement shall automatically be deemed amended to restate the limits of the restriction accordingly.

8. **Injunctive Relief.** In the event of an actual or threatened breach by the Undersigned of any of the provisions of this Agreement, the Undersigned, Franchisor, and Franchisee agree that the remedy at law will be inadequate, and that Franchisee and/or Franchisor shall immediately be entitled to injunctive relief restraining the Undersigned from such breach without having to show any actual damages. Nothing herein shall be construed as prohibiting Franchisee and/or Franchisor from pursuing any other available remedies for such breach.

9. **Survival.** The provisions of this Agreement shall survive the expiration or termination of the Franchise Agreement and any agreement or relationship between Franchisor and/or Franchisee and the Undersigned for any reason, and shall be enforceable notwithstanding the existence of any claim or cause of action of the Undersigned against Franchisor and/or Franchisee predicated on any contract or other basis whatsoever.

10. **No Right to Employment.** Nothing contained in this Agreement shall in any way be deemed to confer upon the Undersigned any right to obtain a franchise agreement from Franchisor, or to employment with Franchisor or Franchisee.

11. **Applicable Law.** Except to the extent governed by federal trademark, copyright and/or arbitration statutes (if applicable), the existence, validity, construction and sufficiency of performance of this Agreement and all matters relating to it shall be governed by the laws of the State of Utah applicable to agreements made and to be entirely performed in Utah, without regard to, and without giving effect to, the application of any Utah conflict of law rules; *provided, however,* that if any of the provisions of this Agreement would not be enforceable under the laws of the State of Utah then such provisions shall be governed by the laws of the state in which Franchisee's office is or was located.

12. **Venue.** Any proceeding brought by Franchisor or Franchisee against the Undersigned may be brought and conducted in Utah. The parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision. The provisions of this Section 13 are subject to applicable superseding law as provided in Section 12.

13. **General.** This Agreement contains the entire understanding between the parties with respect to the subjects hereof, and supersedes all prior oral and written negotiations, understandings and agreements. Except as otherwise expressly provided herein, this Agreement may be amended only by an instrument in writing signed by Franchisor, Franchisee (if appropriate) and the Undersigned. The waiver of any breach or violation of this Agreement shall not be deemed to amend this Agreement and shall not constitute a waiver of any other or subsequent breach. Headings are for convenience and shall not limit or control interpretation. Words in this Agreement shall be deemed to refer to whatever number and gender the context requires. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns. Both Franchisee and Franchisor shall be third party beneficiaries of this Agreement and entitled to enforce it as though each of them was a signatory.

IN WITNESS WHEREOF, the parties have caused this Confidentiality and Noncompetition Agreement to be executed as of the date first set forth above.

THE "UNDERSIGNED":

______________________ (Signature)	______________________ (Residential Street Address)
______________________ (Print Name)	______________________ (City, State, Zip Code)
______________________ (Position)	______________________ (Residential Telephone Number)
______________________ (Date)	

ACCEPTED BY:

____
(Franchisor or Franchisee)

By: ______________________

Its: ______________________

Date: ______________________

SCHEDULE G
CONFIRMATION ADDENDUM TO
LIFTOLOGY FRANCHISE AGREEMENT

LIFTOLOGY FRANCHISE CORPORATION ("we/us"), desires to verify certain information about the sales process and to confirm any additional commitments or terms beyond those contained in our standard franchise agreement and contained in our current "Franchise Disclosure Document," including any oral statement, representation, promise, or assurance made during the negotiations for the purchase of a Liftology ™ franchise by any of our directors, officers, employees, agents, or representatives (each, a "Representative").

<u>DO NOT SIGN THIS STATEMENT IF YOU ARE A RESIDENT OF, OR INTEND TO OPERATE THE FRANCHISED BUSINESS IN ANY OF THE FOLLOWING FRANCHISE REGISTRATION STATES: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, or WI.</u>

I. FRANCHISE

A. **<u>Description of Representations</u>**

1. Describe any promises, agreements, contracts, commitments, representations, understandings, "side deals" or other promises that have been made to or with you by us or our Representatives with respect to any matter not expressly contained in the Franchise Agreement. This includes, but is not limited to, any representations or promises regarding advertising, marketing, Site location, operational assistance, or other services or write "None": _____

____
____
____

2. Describe any oral, written, or visual claim or representation, promise, agreement, contract, commitment, understanding or otherwise which contradicts or is inconsistent with the Disclosure Document or the Franchise Agreement that has been made to you by us or our Representatives or write "None":___

____
____
____

3. Describe any oral, written, visual, or other claim or representation that has been made to you by us or our Representatives, which states or suggests any actual, average, projected or forecasted sales, gross receipts, operating costs, revenues, income, profits, expenses, cash flow, tax effects, earnings, or otherwise, that is different from or in addition to what is contained in the Franchise Disclosure Document – including Item 19 or write "None":_

____
____
____

4. Describe any statement, promise or assurance made by us or our Representatives concerning the likelihood of success that you should or might expect to achieve from developing and operating an Liftology ™ franchise or write "None":____

____
____
____

5. Describe any statement, promise or assurance concerning the advertising, marketing, training, support services or assistance that we will furnish you that is contrary to, or different from, the information contained in the Franchise Disclosure Document. If you believe that one of these statements, promises or assurances has been made, please describe the statement or promise in the space provided below or write “None”.____

____

____

____

6. Describe any other statement, promise or assurance concerning any other matter related to an Liftology ™ franchise that is contrary to, or different from, the information contained in the Disclosure Document. If you believe that one of these statements, promises or assurances has been made, please describe the statement, promise or assurance in the space provided below or write “None”.__

____

____

____

II. YOUR PARTICIPATION

A. You will personally participate in the management of the Liftology ™ Franchise as set forth in the Franchise Agreement. You will faithfully and fully perform all duties required of you under the Franchise Agreement.

B. Your purchase of the Franchise is for your own account and is not made with a view to or for resale.

III. ACKNOWLEDGEMENT

A. You acknowledge that you have carefully read this Agreement and all other related documents to be executed concurrently or in conjunction with the execution hereof, that you have obtained the advice of counsel in connection with entering into this Agreement, that you understand the nature of this Agreement, and that you intend to comply herewith and be bound hereby. We expressly disclaim making, and you acknowledge and agree that they have not received or relied on any warranty or guarantee, express or implied, as to the potential volume, profits, expenses, or success of the Franchised Business. Franchisee and you further acknowledge and agree that you have conducted an independent investigation of the Franchised Business, recognize that the Franchised Business involves business risks, and that its success will be largely dependent upon yours skills and experience, your efforts and dedication in furtherance of the Franchised Business, your business acumen, your location, the local market for products and services under the LIFTOLOGY Marks, the economy, inflation, the number of employees you hire and their compensation, competition and other economic and business factors.

B. You acknowledge you have received a copy of the complete Liftology Franchise Corporation Franchise Disclosure Document for the Liftology Business that contains a copy of this Agreement, at least 14 calendar days before the Effective Date. You further acknowledge and agree that we have made no promises, representations, warranties or assurances to you which are inconsistent with the terms of this Agreement or Franchisor’s Franchise Disclosure Document, concerning the profitability or likelihood of success of the Franchised Business, that you have been informed by Franchisor that there can be no guarantee of success in the

Franchised Business and that the factors identified in this Agreement are primary in determining your success.

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

PROSPECTIVE FRANCHISEE: ____

By: ____________________ Print Name: ______________________ Title: ________ Date: ________

By: ____________________ Print Name: ______________________ Title: ________ Date: ________

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS PRINCIPAL OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT.

APPROVED ON BEHALF OF

LIFTOLOGY FRANCHISE CORPORATION

By:_____________________________________
Print Name:_______________________________ Title:________________ Date:____________

EXHIBIT 3

TABLE OF CONTENTS OF OPERATIONS MANUAL

EXHIBIT 4
LIST OF FRANCHISEES AND FORMER FRANCHISEES

CURRENT FRANCHISEES –
UNITS OPENED AS OF DECEMBER 31, 2025

NONE

SIGNED BUT UNOPENED FRANCHISEES AS OF DECEMBER 31, 2025

Scott Friends Enterprises, LLC
Adam Scott
Nicole Scott
San Antonio, TX
512-423-8903

FRANCHISEES THAT HAD AN OUTLET TERMINATED, CANCELED, NOT RENEWED, OR OTHERWISE LEFT THE SYSTEM DURING THE PRIOR FISCAL YEAR

Karen Parsons
Salt Lake City, UT
435-659-6255

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

EXHIBIT 5
AGENTS FOR SERVICE OF PROCESS
&
STATE ADMINISTRATORS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. Where we are registered to sell franchises, we have appointed the state agency, or as noted below, a state officer, as our agent for service of process in the state. We may not yet be registered to sell franchises in any or all of the states listed. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

State	State Agency	Agent for Service of Process
CALIFORNIA	California Department of Financial Protection & Innovation 651 Bannon Street, Suite 300 Sacramento, CA 95811 (213) 576-7500 Toll-free (866-275-2677)	Commissioner of Department of Financial Protection & Innovation
HAWAII	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities King Kalakaua Building 335 Merchant Street, Room 205 Honolulu, HI 96813 (808) 586-2722	Hawaii Commissioner of Securities
ILLINOIS	Franchise Division Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-1090	Illinois Attorney General
INDIANA	Securities Commissioner Indiana Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street G. Mennen Williams Bldg. 1st Floor Lansing, MI 48933 (517) 373-7117	Michigan Department of Commerce Corporations and Securities Bureau
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651)-539-1600	Minnesota Commissioner of Commerce
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005-1495 (212) 416-8222	Attention: New York Secretary of State New York Department of State One Commerce Plaza, 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 (518) 473-2492

State	State Agency	Agent for Service of Process
NORTH DAKOTA	North Dakota Insurance & Securities Department 600 East Boulevard, Dept. 401 Bismarck, ND 58505-0510 (701) 328-2910	North Dakota Securities Commissioner
RHODE ISLAND	Rhode Island Department of Business Regulation Division of Securities 1511 Pontiac Avenue John O. Pastore Complex – Bldg. 69-1 Cranston, RI 02920 (401) 462-9500 x5	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	South Dakota Division of Insurance Securities Regulation 124 S Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of the South Dakota Division of Securities
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission Tyler Building, 1st Floor 1300 E. Main Street Richmond, VA 23219 804-371-9051
WASHINGTON	Department of Financial Institutions Securities Division PO Box 41200 Olympia, WA 98504-1200	Director of Washington Financial Institutions Securities Division 150 Israel Rd S.W. Tumwater, WA 98501 (360) 902-8760
WISCONSIN	Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705 (608) 266-0448	Wisconsin Commissioner of Securities

EXHIBIT 6

FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT STATE SPECIFIC ADDENDA

The following modifications and additions are part of the Liftology Franchise Disclosure Document ("FDD") and Franchise Agreement ("FA") as required by relevant state laws.

CALIFORNIA

California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

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 FRANCHISE DISCLOSURE DOCUMENT.

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

<u>FDD, FA</u>

The Franchise Agreement contains a waiver of punitive damages provision and a waiver of a jury trial provision. These provisions might not be enforceable under California law.

<u>FDD Item 1</u>

In California, you will need a general contractors license from the Contractors State License Board (CSLB.ca.gov). You will need a special elevator contractor license from the Contractors State License Board to install certain vertical lift platforms, chair elevators, and other elevator systems.

<u>FDD Item 3</u>

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

<u>FDD Item 6</u>

The maximum interest rate in California is 10% annually. <u>FDD Item 6; FA Section 4.5.3</u>

We are not currently aware of any tax imposed in California that would be payable based on the fees payable to us by you and on services and products furnished to you by us.

FDD Item 17; FA Sections 3.2, 3.4, 10.1, 11.8, 12

1) California Law Regarding Termination and Nonrenewal. California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement or Area Developer Agreement contains a provision that is inconsistent with the law, the law will control.

2) Post-Termination Noncompetition Covenants. The Franchise Agreement and Area Developer Agreement contain covenants not to compete that extend beyond the termination of the franchise. This provision may not be enforceable under California law.

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

4) Arbitration. The Franchise Agreement requires binding arbitration. The arbitration will occur at Salt Lake City, Utah, with the costs being borne by the respective parties). 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 Procedures Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

5) Applicable Law. The agreements require application of the laws of the State of Utah. This provision may not be enforceable under California law.

6) Bankruptcy. The agreements provide for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11. U.S.C.A. Sec. 101 et seq.), but we will enforce it if enforceable.

7) Conditions for Approval of Transfer. You must sign a general release of claims if you renew or transfer your franchise. 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 20010 voids a waiver of your rights under the franchise relations act (Business and Professions Codes sections 20000 through 20043).

8) Disclosure Document. Section 31125 of the Franchise Investment Law requires us to give to you a disclosure document, in a form and containing such information as the Commissioner of Corporations may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

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

ILLINOIS

Illinois law governs the Agreement.

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

Section 19 of the Illinois Franchise Disclosure Act sets forth the conditions and notice requirements for termination of a franchise agreement.

Section 20 of the Illinois Franchise Disclosure Act sets forth the conditions of non-renewal of a franchise agreement, along with the compensation requirements.

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

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

See the last page of this Exhibit 7 for your required signature.

NEW YORK

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

   INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT 6 OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THE FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FOR IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

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

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

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

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

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

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

4. The following language replaces the "Summary" section of Item 17(d), titled "Termination by franchisee": "You may terminate the agreement on any grounds available by law."

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

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

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

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made.

8. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

   It is agreed that the applicable foregoing state law addendum for the state of _______________, if any, supersedes any inconsistent portion of the Franchise Agreement (to which this addendum is attached) of this same date, and of the Franchise Disclosure Document. All terms of the Franchise Agreement, including these State Specific Addenda provisions for the relevant state, have been agreed to at the time the Franchise Agreement was signed, to the extent that they are valid requirements of an applicable, effective, and enforceable state law. However, this addendum will have effect only if the Franchise Agreement or our relationship with you satisfies all of the jurisdictional requirements of the relevant state's franchise laws, without considering this addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _______ day of ___________, 20__.

Franchisee: ____________________________________ Date: _____________

Franchisor: _____________________________________ Date: ____________

EXHIBIT 7

SOFTWARE LICENSE AGREEMENT

SOFTWARE LICENSE AGREEMENT

This SOFTWARE LICENSE AGREEMENT ("**Agreement**") is entered into on this ____ day of _______, 20___("**Effective Date**") by and between Liftology Franchise Corporation, a Utah corporation, with an address at 244 West 300 North, Unit 100, Salt Lake City, UT 84103 ("**Franchisor**"), and ____________________________________ a(n) ________________________ with an address at ____ ("**Franchisee**") and its Guarantors ___________________________________, individually, and ______________________________________, individually.

BACKGROUND

A. Prior to the execution of this Agreement, Franchisor and Franchisee have entered into a franchise agreement ("**Franchise Agreement**") pursuant to which Franchisor granted Franchisee the right to operate a Liftology® 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. A certain third party ("**Skywave**") has developed a customer relationship management system, for which Franchisor has the contractual right to sublicense, to be utilized by Franchisee in connection with the Franchised Business ("**Skywave Software**"). The Skywave 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. 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.

E. Now, the parties desire to define the terms and conditions on which Franchisor will grant use of the Skywave 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. *Skywave SOFTWARE*

A. **GRANT OF USE**

(a) **License Grant**. Subject to Franchisee's compliance with the terms and conditions of this Agreement, Franchisor hereby grants to Franchisee a personal, limited, non-assignable, non-transferrable, non-exclusive license to use the Skywave Software and any applicable documentation relating to the Skywave Software that Franchisor may make available to Franchisee from time-to-time ("Documentation") solely as permitted under Subsection 1.A.(c) below during the term of the Franchise Agreement.

(b) Additional Terms. Franchisor and/Skywave through the Skywave Software or otherwise, may, from time-to-time, make available to Franchisee certain additional terms and policies that may be required by the original Skywave Software licensor ("Additional Terms"). Franchisee shall comply with all such Additional Terms, which shall form a part of this Agreement and are hereby incorporated herein and in the event of any conflict between such Additional Terms and this Agreement, the terms of this Agreement shall govern.

(c) Scope of Use. Franchisee may use the Skywave Software solely for Franchisee's internal business needs in connection with the operation of the Franchised Business as a franchisee of Franchisor and will not make the Skywave 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) 1.A.(f) below.

(d) **No Right to Copy**. Franchisee may not grant access, copy or allow copies of the Skywave Software or any other proprietary information to be made.

(e) **Owne**rship. Franchisee acknowledges and agrees that Franchisee has no ownership rights in the Skywave Software, nor any other rights in the Skywave Software except those rights expressly granted by this Agreement.

(f) Third Party Access. Franchisee must not make the Skywave Software available to any third party unless required by Franchisor in writing at Franchisor's sole discretion.

(g) Updating to Current Version. Franchisee must only use current versions of the Skywave 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.

(h) Use Restrictions. Franchisee shall not use, and shall not permit any third party to use, the Skywave Software for any purposes beyond the scope of the access granted in this Agreement. Franchisee shall not at any time, directly or indirectly, and shall not permit any third party to: (i) copy, modify, or create derivative works of the Skywave Software or Documentation, in whole or in part; (ii) rent, lease, lend, sell, license, sublicense, assign, distribute, publish, transfer, or otherwise make available the Skywave Software or Documentation; (iii) reverse engineer, disassemble, decompile, decode, adapt, or otherwise attempt to derive or gain access to any software component of the Skywave Software, in whole or in part; (iv) remove any proprietary notices from the Skywave Software or Documentation; or (v) use the Skywave Software or Documentation in any manner or for any purpose that infringes, misappropriates, or otherwise violates any intellectual property right or other right of any person, or that violates any applicable law.

B. **FEES**

(a) **Skywave Software License Fee**. Beginning on the Effective Date, Franchisee must pay to Franchisor an Initial Software Fee and continuing CRM Fee (as that term is defined in the Franchise Agreement) via automatic bank draft for the right to use the Skywave Software. Franchisor may also increase the fees as outlined in the Franchise Agreement.

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, unless terminated in accordance with this Agreement.

(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 Skywave 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 Skywave Software, or any or all portions of it, as specified by Franchisor. Unless notified to discontinue use, Franchisee agrees to continue to use the Skywave Software and any updated versions of it as long as Franchisor requires it.

(d) Disabling of the Skyw**ave Software**. Franchisee understands that Franchisor may include a feature in the Skywave Software that will cause the Skywave 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 Skywave Software pursuant to this Section**.

(e) **Disposition of Copies**. Upon termination of the license to use the Skywave Software granted herein Franchisee agrees to promptly return to Franchisor, or otherwise dispose of as Franchisor may instruct, all physical copies of the Skywave Software and the 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 this Agreement granted hereby, or if the Skywave 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 Customer Data and any other data and information input and stored in the Skywave 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. *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 Skywave Software and shall complete such training of Franchisee's personnel with respect to the Skywave 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 Skywave 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 Skywave Software. Such access may be to allow for the full functioning of the Skywave Software, to allow Franchisor to install the Skywave Software and modifications, fixes, service releases and new versions of the Skywave 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.

E. **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.

3. *CONFIDENTIALITY AND LIMITED ACCESS*

A. **Nondisclosure**. Franchisee agrees to maintain the Skywave Software, including its

Documentation and the Customer Data 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 Skywave Software or to see its Documentation or the Customer Data other than Franchisee's employees, agents, and representatives who have a need to have access to or to use the Skywave Software subject to Franchisee's perrmitted use of the Skywave Software, and, further 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. Notwithstanding the foregoing, Franchisee shall be responsible for all persons who use the Skywave Software and Documentation pursuant to Franchisee's license. "**Customer Data**" means information, data, customer or vendor lists, members, customer or employee contact information, terms and conditions, policies or guidelines and other content inputted by or on behalf of Franchisee into the Skywave Software or otherwise provided by or on behalf of Franchisee to Skywave or any third-party consultants, as set forth herein.

B. **Security; Data Privacy**.

(a) Without limiting any of its other obligations under this Agreement, Franchisee shall implement industry-standard technical and organizational measures consistent with the practices and professional standards applied by similarly-situated entities handling similar information or content, to keep the Skywave Software and the Customer Data secure and to protect it against loss, destruction, alteration, modification, use, disclosure, breach or unauthorized access while in its possession or control.

(b) Franchisee shall comply with all obligations set forth in Franchisor's applicable data security policies or terms, as may be provided by Franchisor, from time-to-time, with respect to the processing of personal/sensitive data. In the event of any conflict between the terms of this Agreement and such other data security policies or terms, those terms shall control over this Agreement with respect to the processing of personal/sensitive data.

(c) Full disk or device encryption is required for all portable devices (e.g., laptops, flash drives) and other systems that store or process any Customer Data.

C. **Security Breach**.

(a) In the event of any breach or suspected breach of security of any server or system that results or could result in material loss of, unauthorized access to, unauthorized disclosure or alteration of, unauthorize control of, or other security breach in respect of any Customer Data as is hereinafter defined (each, a "**Security Breach**") has occurred, Franchisee shall:

i. provide Franchisor with the name and contact information for an employee of Franchisee who will serve as Franchisor's primary security contact and will be available to assist Franchisor twenty-four (24) hours per day, seven (7) days per week as a contact in resolving obligations associated with a Security Breach;
ii. notify Franchisor of any Security Breach as soon as practicable, but no later than seventy-two (72) hours after Franchisee becomes aware of it; and
iii. notify Franchisor of each Security Breach, with notification to be by telephone at 330.760.2990 and by email to Franchisor's legal department at brian.schnell@faegredrinker.com with a copy of the email to Franchisee's primary Franchisor business contact at info@liftology.com.

(b) Immediately following Franchisee's notification to Franchisor of a Security Breach, the parties will coordinate with each other to investigate the incident. Franchisee agrees to fully cooperate with Franchisor's in Franchisor's handling of the matter, including, without limitation:

i. assisting with any investigation;
ii. providing Franchisor with physical access to facilities and operations affected;
iii. facilitating interviews with Franchisee's employees and others involved in the matter; and

iv. making available all relevant records, logs, files, data reporting and other materials required to comply with applicable law, regulation, industry standards or as otherwise reasonably required by Franchisor.

(c) Franchisee agrees to reasonably cooperate with Franchisor in any litigation or other formal action deemed necessary by Franchisor to protect its rights relating to the use, disclosure, protection and maintenance of Customer Data.

4. *REPRESENTATIONS; WARRANTIES; LIMITATION OF LIABILITY; INDEMNIFICATION*

A. Disclaimer of Warranty. **EXCEPT AS SPECIFICALLY PROVIDED HEREIN, NEITHER FRANCHISOR NOR ANY AFFILIATE OF FRANCHISOR OR SKYWAVE MAKES ANY EXPRESS OR IMPLIED WARRANTY WHATSOEVER. FRANCHISOR AND ALL AFFILIATES OF FRANCHISOR AND SKYWAVE 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 (INCLUDING, WITHOUT LIMITATION, THE SKYWAVE SOFTWARE), DOCUMENTATION, 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. FRANCHISEE ACKNOWLEDGES AND AGREES THAT SKYWAVE SOFTWARE IS PROVIDED "AS-IS" WITHOUT ANY WARRANTY OF ANY KIND.**

B. Specific Warranty Disclaimers. **WITHOUT LIMITING ANY DISCLAIMER OF WARRANTY IN SECTION 4.A, FRANCHISOR SPECIFICALLY DISCLAIMS ANY WARRANTY THAT THE SKYWAVE 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. IN NO EVENT WILL FRANCHISOR'S AGGREGATE LIABILITY TO FRANCHISEE ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING UNDER OR RELATED TO BREACH OF CONTRACT, TORT, STRICT LIABILITY, OR ANY OTHER LEGAL OR EQUITABLE THEORY, EXCEED**

[$1,000].

D. **<u>Franchisor's Right to Indemnification</u>**. Franchisee shall indemnify, defend, and hold harmless Franchisor and its respective officers, directors, employees, agents, successors, and assigns (each, a "**Franchisor Indemnitee**") from and against any and all damages, judgments, awards, penalties, fines, costs, or expenses (including reasonable attorneys' fees) incurred by such Franchisor Indemnitee resulting from or arising out (a) Franchisee's use of the Skywave Software in violation of this Agreement or any Additional Terms, (b) Franchisee's breach of this Agreement, any Additional Terms or applicable law, (c) a Security Breach caused by any act or omission of Franchisee or (d) Franchisee's gross negligence, unlawful act, or willful misconduct (including by Franchisee's personnel, subcontractors, or agents).

5. *MISCELLANEOUS*

A. **<u>Remedies</u>**. Franchisee acknowledges that any breach of the covenants set forth in Subsections 1.A. 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 Franchisor may seek injunctive relief for any such breach in addition to all other remedies that may be available.

B. **<u>Notices</u>**. 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. **<u>Entire Agreement; Amendments</u>**. 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. **<u>Waiver</u>**. 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. **<u>Governing Law</u>**. This Agreement will be governed by and construed in accordance with the laws of the State of Utah applicable to agreements made and to be performed entirely within the State of Utah, without regard to Utah's conflicts of law principles.

F. **<u>Mediation; Jurisdiction and Venue</u>**. Sections 12.5 (Mediation) and 12.2 (Jurisdiction and Venue) 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. **<u>Assignment</u>.** 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. **<u>Costs, Expenses and Attorneys' Fees</u>**. 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:
LIFTOLOGY FRANCHISE CORPORATION,
a Utah Corporation

By: ____

Its: ____

FRANCHISEE:
____,
[ ] an individual;
[ ] a ____general partnership; [ ] a
____limited partnership;
[ ] a ____limited liability company; [
] a ____corporation

By:____

Its: ____

STATE EFFECTIVE DATES

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

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

California:	NOT REGISTERED
Hawaii:	NOT REGISTERED
Illinois:	NOT REGISTERED
Indiana:	NOT REGISTERED
Maryland:	NOT REGISTERED
Michigan:	NOT REGISTERED
Minnesota:	NOT REGISTERED
New York:	NOT REGISTERED
North Dakota:	NOT REGISTERED
Rhode Island:	NOT REGISTERED
South Dakota:	NOT REGISTERED
Virginia:	NOT REGISTERED
Washington:	NOT REGISTERED
Wisconsin:	PENDING

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

COPY FOR FRANCHISEE

RECEIPT OF DISCLOSURE DOCUMENT

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

If Liftology Franchise Corporation offers you a franchise, it must provide this Disclosure Document to you at least fourteen (14) calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Note, however, that no governmental agency has verified the information contained in this document.

Michigan and New York require that you receive this Disclosure Document at the earlier of the first personal meeting or ten (10) business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Iowa requires that you receive this Disclosure Document at the earlier of the first personal meeting or fourteen (14) calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Liftology Franchise Corporation does not deliver this Disclosure Document on time, or if it contains a false or misleading statement or a material omission, a violation of federal law and applicable state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, and to the appropriate state agency identified in Exhibit 5.

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

Check as applicable:

☐ Dave Pazgan, 244 W 300 N, Suite 100, Salt Lake City, UT 84103; 330-760-2990

Additional Sellers/telephone numbers

☐ ____________________

Issuance date: April 30, 2026

I have received a Franchise Disclosure Document dated April 30, 2026, including the following Exhibits:

1. Financial Statements
2. Franchise Agreement (with Schedules)
3. Table of Contents of LIFTOLOGY Manual
4. List of Franchisees
5. Agents for Service of Process
6. State Specific Addenda
7. Receipts

DATED:____________________________ ________________________________

(Signature)
(Full Name - Printed): _______________

(Identify Franchisee Corporate Entity for which you are an Authorized Representative)

FRANCHISOR

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7. Receipts

DATED:____________________________ ________________________________

(Signature)

(Full Name - Printed): _______________

(Identify Franchisee Corporate Entity for which you are an Authorized Representative)