

FRANCHISE DISCLOSURE DOCUMENT

SACRAMENTO TRANSPORTATION SYSTEMS, INC ,
a California corporation (Subfranchisor)
4740 Northgate Blvd , Ste 100
Sacramento, California 95834
(916) 648-2500
Website www.supershuttle.com

SuperShuttle
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The franchisee will conduct its business as an independent entity operating a SuperShuttle passenger van providing transportation to the public between a specific airport and destinations surrounding that airport during its selected hours using a trip generating system provided by SuperShuttle and SuperShuttle Sacramento for a one year term or a five year term. You may also conduct charter operations that do not use the SuperShuttle trip generating system.

The total investment necessary to begin operation of a SuperShuttle unit franchise is \$17,950 to \$60,650 for a 1-year franchise and \$18,350 to \$61,050 for a 5-year franchise. This includes \$1,950 that must be paid to us or our affiliate for a 1-year franchise and \$2,350 that must be paid to us or our affiliate for a 5-year franchise, consisting of \$100 initial franchise fee for the 1-year program and \$500 initial franchise fee for the 5-year program, \$250 for the application of vehicle decals on your vehicle, a security deposit of \$1,500 for the decals and specialized equipment and \$100 as the first contribution to an airport expense fund we maintain.

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

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

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

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

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SMF 2017 (1 & 5 yr)
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STATE COVER PAGE

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

Call the state franchise administrator listed in Exhibit A for information about the franchisor, or about franchising in your state

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

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

- 1 **THE UNIT FRANCHISE AGREEMENT STATES THAT DELAWARE LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS THIS AGREEMENT PROVIDES THAT DELAWARE LAW APPLIES, BUT LOCAL LAW MAY SUPERSEDE IT**
- 2 **AS PART OF OUR MARKETING STRATEGY, WE MAY NEGOTIATE DISCOUNTS AND ISSUE VOUCHERS AND COUPONS YOU MUST HONOR THESE DISCOUNTS AND ACCEPT THESE VOUCHERS AND COUPONS TO THE EXTENT THIS RESULTS IN A REDUCTION IN REVENUES, WE WILL SHARE IN THE REDUCTION BECAUSE YOU WILL BEAR 75% OF THE REDUCTION AND WE WILL BEAR 25% WHICH YOU WOULD HAVE PAID US AS PART OF THE LICENSE FEE (SEE ITEM 11)**
- 3 **THIS IS A HIGHLY COMPETITIVE BUSINESS YOU MAY COMPETE WITH NUMEROUS OTHER FRANCHISEES AND OTHER TRANSPORTATION SERVICES, WHICH MAY NOT OFFER SHARED-RIDE SERVICES, IN WHICH WE HAVE AN INTEREST (FOR A LIST OF THESE TRANSPORTATION SERVICES SEE ITEM 12) OUR CONCESSION AGREEMENT WITH THE SACRAMENTO INTERNATIONAL AIRPORT AUTHORITY DOES NOT LIMIT THE SIZE OF OUR FLEET THERE WERE 24 SUPERSHUTTLE VEHICLES OPERATING AS OF DECEMBER 2016 AT SACRAMENTO INTERNATIONAL AIRPORT WE ANTICIPATE SELLING APPROXIMATELY 15 FRANCHISES IN SACRAMENTO THIS YEAR**
- 4 **IF THE CONCESSION AGREEMENT BETWEEN US AND THE AIRPORT DESCRIBED IN THIS DISCLOSURE DOCUMENT EXPIRES AND IS NOT RENEWED OR EXTENDED OR IF IT IS TERMINATED OR SUSPENDED, YOU**

MAY NO LONGER HAVE THE RIGHT TO OPERATE A SUPERSHUTTLE VEHICLE AT THAT AIRPORT

- 5 AS DISCLOSED IN ITEMS 1 AND 8, IF THE AIRPORT AUTHORITY REQUIRES IT YOU MAY BE REQUIRED TO PURCHASE INSURANCE COVERAGE FOR YOUR VEHICLE FROM OUR AFFILIATE (WHICH IS ALSO AN AFFILIATE OF SUPERSHUTTLE) AT ITS EXISTING RATE, WHICH MAY OR MAY NOT BE MORE EXPENSIVE THAN THE RATE YOU MAY BE ABLE TO FIND AT OTHER INSURANCE COMPANIES
- 6 THE FRANCHISOR CHARGES NUMEROUS FEES THAT IMPACT YOUR REVENUE YOU SHOULD CAREFULLY REVIEW ITEMS 5 AND 6 TO DETERMINE THE TYPE, AMOUNT AND DUE DATE OF EACH FEE YOU MUST PAY FEES EVEN IF YOUR VEHICLE IS NOT OPERATIONAL
- 7 IN ITEM 19 OF THIS DISCLOSURE DOCUMENT, THE FRANCHISOR DISCLOSES INFORMATION ABOUT REVENUES PER SHIFT REPORTED BY FRANCHISEES DURING 2016 THE STATED REVENUE IS BASED ON DATA FOR SHIFTS RANGING FROM 0 TO 24 HOURS THUS, YOU AND YOUR ASSOCIATE OPERATOR(S) MAY NEED TO OPERATE THE VEHICLE A TOTAL OF 24 HOURS PER DAY TO EARN THE REVENUE STATE IN ITEM 19
- 8 YOU MAY NOT USE YOUR SUPERSHUTTLE VEHICLE TO CONDUCT A COMPETING BUSINESS OR IN A MANNER THAT VIOLATES SUPERSHUTTLE TRADEMARK POLICY
- 9 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

Effective Date See the next page for state effective dates

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