

## FRANCHISE DISCLOSURE DOCUMENT



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We are GoMo Tires LLC, a Florida limited liability company. We offer franchises to qualified individuals and entities to own and operate a GoMobile Tires or GoMobile Detail franchise using our programs and systems and the name GoMobile Tires or GoMobile Detail and our related trademarks, service marks and logos. In this disclosure document, the GoMobile Tires marks and the GoMobile Detail marks may be collectively or separately referred to as the "Marks". Our GoMobile Tires franchisees operate mobile vehicle tire businesses that replace customers' tires and/or wheels under the applicable Marks and the GoMobile Tires programs and systems (the "System"). Our GoMobile Detail franchisees operate mobile vehicle detailing businesses under the applicable Marks and the GoMobile Detail programs and systems. In this disclosure document, the GoMobile Tires programs and systems and the GoMobile Detail programs and system may collectively or separately be referred to as the "System".

The approximate total investment necessary to begin operation of a GoMobile Tires franchise is \$196,600 to \$227,600. This includes \$50,000 to \$180,000 payable to the franchisor or its affiliate(s)

The approximate total investment necessary to begin operation of a GoMobile Detail franchise is \$126,600 to \$162,600. This includes \$20,000 to \$95,000 payable to the franchisor or its affiliate(s).

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact our Managing Member, Derek Naidoo, at 163 SW Freeman Avenue, Ste D, Hillsboro, Oregon 97123, (503) 501-9106, [Derek@GoMobileTires.com](mailto:Derek@GoMobileTires.com).

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or 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](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: December 26, 2022

## 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
<b>How much can I earn?</b>	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit M.
<b>How much will I need to invest?</b>	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.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit A includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only GoMobile Tires/GoMobile Detail business in my area?</b>	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What's it like to be a GoMobile Tires/GoMobile Detail franchisee?</b>	Item 20 or Exhibit M lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	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 C.

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 Oregon. 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 Oregon than in your own state.
2. 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.
3. Early Stage of Development. 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 franchise in a system with a longer operating history.
4. Trademark. For the GoMobile Detail franchise, the primary trademark that you will use in your business is not federally registered. If the franchisor's right to use this trademark in your area is challenged, you may have to identify your business and its products or services with a name that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer.

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.

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## Item 1

### **The Franchisor, and any Parents, Predecessors, and Affiliates**

We are GoMo Tires LLC, a Florida limited liability company (called “we,” “us,” or “our” in this disclosure document) formed effective July 23, 2020. We do business under the names “GoMobile Tires” and “GoMobile Detail” and the corresponding logos. We do not intend to do business under any other names. “You” means the prospective purchaser of a GoMobile Tires or GoMobile Detail franchise, and includes owners or partners of a corporation, partnership, or other legal entity that purchases a GoMobile franchise. The business operated under the franchise agreement (“Franchise Agreement”) is referred to as the “Franchise” in this disclosure document.

We are the franchisor of the GoMobile franchise system. Our principal office address is 163 SW Freeman Avenue, Ste D, Hillsboro, Oregon 97123. Our telephone number is (503) 501-9106. We have offered GoMobile Tires franchises since 2020 and GoMobile Detail Franchises since 2021. We have never offered franchises in any other line of business. We do not operate any businesses of the type being franchised. We (or an affiliate) are a designated supplier of your branded vehicle and certain initial and ongoing equipment and supplies for your franchise. In the alternative, you may choose to purchase them directly from one of our other designated suppliers. We may produce and sell innovative advertising and sales promotion materials. We and our affiliates may attempt to negotiate group discount rates for the benefit of our franchisees for products and services and marketing and sales materials. We do not have any other business activities.

Our registered agents for service of process are outlined in Exhibit C to this disclosure document. The Franchises We Offer

**GoMobile Tires:** We license our GoMobile Tires franchisees to own and to operate franchises under the “GoMobile Tires” names and marks. We authorize our GoMobile Tires franchisees to operate mobile vehicle tire businesses that replace customers’ tires and/or wheels and to use our System and our Marks in the operations of the franchisee’s business.

**GoMobile Detail:** We license our GoMobile Detail franchisees to own and to operate franchises under the “GoMobile Detail” names and marks. We authorize our GoMobile Detail franchisees to operate mobile vehicle detailing businesses and to use our System and our Marks in the operations of the franchisee’s business.

**Multiple Franchise Purchasers:** We may offer to qualified prospects the opportunity to purchase multiple franchises simultaneously. Such franchises would be subject to a Development Schedule as described and defined in a Multiple Franchise Purchase Addendum (attached to the Franchise Agreement as Exhibit 2). You would sign all the multiple Franchise Agreements and corresponding Multiple Franchise Purchase Addendums simultaneously up front (using the forms of agreement and addendum attached to this disclosure document).

#### Parents, Predecessors and Affiliates

We have no parents or predecessors that are required to be disclosed in this disclosure document. GoMobileTires USA, LLC, a Missouri limited liability company, is our affiliate. Its principal address is the same as ours. It offered and sold GoMobile Tires franchises from 2018 to 2020. The affiliate’s franchise offering was not registered in the State of California, which resulted in a Consent Order between the affiliate and the California Department of Financial Protection and Innovation as described in more detail in Item 3. Our affiliate does not intend to offer additional GoMobile Tires franchises.

USA GoMobile, Inc., a Wyoming limited liability company, is our affiliate. It is also GoMobileTires USA, LLC’s parent company. Its principal address is the same as ours. Our affiliate has never offered franchises in this or any other lines of business.

We and our affiliate(s) retain the right to own or operate additional GoMobile franchises.

### Market and Competition

GoMobile Tires: The market for mobile vehicle tire businesses is developing. The market for non-mobile tire businesses is well-developed. The principal sources of direct competition for your franchise are local, regional, and national auto tire shops. We do not believe the business concept to be seasonal.

GoMobile Detail: The market for mobile vehicle detailing businesses is developing. The market for non-mobile vehicle detailing businesses is well-developed. The principal sources of direct competition for your franchise are local, regional, and national vehicle detailing shops. We do not believe the business concept to be seasonal.

### Laws

Many jurisdictions have specific laws and regulations pertaining to mobile businesses, including permit and licensing requirements. You may or may not be able to operate from a home office depending upon local laws and regulations.

GoMobile Tires: To our knowledge, all jurisdictions have specific laws regarding vehicle tire businesses, including those requiring the sale of only Department of Transportation (DOT) compliant tires, and regulations regarding tire disposal (which may require use of licensed tire disposal companies).

GoMobile Detail: The following federal laws and regulations may apply to the operation of a vehicle detailing business: Clean Water Act, Clean Air Act, Resource Conservation and Recovery Act, Comprehensive Environmental Response Compensation and Liability Act, and Occupational Safety and Health Act. Other environmental federal laws regarding storm water, wastewater, transportation, and hazardous materials may also apply. Requirements and restrictions vary widely by jurisdiction and we have made no investigation regarding the existence of any state or local laws, regulations, ordinance, taxes, or other restrictions that could affect your ability to operate the GoMobile Detail franchised business.

Laws and regulations that apply to businesses in general may apply to your business, including those that

- (a) regulate matters affecting the health, safety, and welfare of your customers;
- (b) set standards pertaining to employee health and safety;
- (c) set standards and requirements for fire safety and general emergency preparedness;
- (d) regulate the proper use, storage, and disposal of hazardous materials; and
- (e) govern labor practices for your employees (among other things, you must pay your employees in compliance with federal and state wage and hour laws). It is solely your responsibility to comply with laws, regulations and requirements applicable to your business. With your own independent professional advisors, you should investigate the laws, regulations and requirements that may apply to the geographic area in which you are interested in locating your franchise and should consider both the effect and cost of compliance.

This disclosure document contains a summary of some material provisions of the Franchise Agreement. However, the Franchise Agreement expresses and governs the actual legal relationship between us and you.

## **Item 2 Business Experience**

### Derek Naidoo – Managing Member

Derek Naidoo has served as our Managing Member in Portland, Oregon and Jacksonville, Florida since our inception in 2020. He has served as a Managing Member for our affiliate, GoMobileTires USA, LLC, in Portland, Oregon since 2019. He has served as President of our affiliate, USA GoMobile, Inc., in Portland, Oregon since 2019. He has owned and operated a GoMobile Tires operation in Portland since 2019. Mr. Naidoo has been Chief Executive Officer for Nitroheat in Portland, Oregon since 2011. Nitroheat manufactures nitrogen generators for spray painting, compressed air and nitrogen heaters, and custom nitrogen generators.

### Joe Flores – Director of Franchise Business Development

Joe Flores has served as our Director of Franchise Business Development in Los Angeles, California since our inception in 2020. He has served as a Managing Member for our affiliate, GoMobileTires USA, LLC, in Los Angeles, California since 2019. He served in the area of sales for Sarkis Motors in Los Angeles, California from 2018 to 2020. Mr. Flores was General Manager for Blaque Diamond Wheels in Los Angeles, California from 2015 to 2018.

## **Item 3 Litigation**

### California Consent Order, FIL ORG ID: 365468

On July 21, 2020, the California Department of Financial Protection and Innovation (“DFPI”) (formerly known as the California Department of Business Oversight) and our affiliates, GoMobileTires USA, LLC and USA GoMobile, Inc., and our Managing Member, Derek Naidoo (“Respondents” in this Item 3) entered into a Consent Order to settle matters related to the California Franchise Investment Law (Corp. Code, §31000, et seq.) (“FIL”). The key recitals in the Consent Order included the following:

- (1) The DFPI discovered that Respondents offered four unregistered franchises in California from November of 2019 to May of 2020. The prospective franchisees were offered the right to open and operate a mobile tire retail facility, and supply onsite tire replacement services to customers; and
- (2) Based upon the foregoing, the Commissioner of Financial Protection and Innovation found that Respondents offered franchises in California without registration or exemption in violation of Corporations Code section 31110.

#### The key terms and conditions of the Consent Order included the following:

- (1) Respondents were ordered to desist and refrain from the further offer or sale of franchises in violation of Corporations Code section 31110, unless and until the offers have been duly registered under the FIL or are otherwise exempt;
- (2) Respondents were ordered to pay an administrative penalty in the total amount of \$2,000.00 for violations of Corporations Code section 31110 within 60 days from the effective date of the Consent Order;
- (3) Derek Naidoo and all persons employed by the Respondents who will assist in preparing franchise registrations or who will assist in franchise selling were ordered to attend training in the area of the FIL compliance within 60 days of the effective date of the Consent Order; and
- (4) the Respondents acknowledged that GoMobileTires USA, LLC or an affiliated company plans to file an Initial Franchise Registration Application with the DFPI within 60 days of the effective date of the Consent Order. The terms of the Consent Order have been satisfied.

Other than the above-described action, no litigation is required to be disclosed in this Item.

#### **Item 4 Bankruptcy**

No bankruptcy is required to be disclosed in this Item.

#### **Item 5 Initial Fees**

##### Initial Franchise Fee – GoMobile Tires

You are required to pay to us an Initial Franchise Fee of \$35,000 upon signing the Franchise Agreement. The Initial Franchise Fee is paid in consideration of our sales expenses, administrative overhead, return on investment, and start-up costs related to the execution of the Franchise Agreement and the opening of the Franchise and for our lost or deferred opportunity to sell franchises in the Franchise Territory to others.

##### Initial Franchise Fee – GoMobile Detail

You are required to pay to us an Initial Franchise Fee of \$10,000 upon signing the Franchise Agreement. The Initial Franchise Fee is paid in consideration of our sales expenses, administrative overhead, return on investment, and start-up costs related to the execution of the Franchise Agreement and the opening of the Franchise and for our lost or deferred opportunity to sell franchises in the Franchise Territory to others.

If you purchase two or more franchises at the same time and of the same type (e.g., two GoMobile Tires franchises or two GoMobile Detail franchises) then the Initial Franchise Fee for the second and each additional franchise purchased will be discounted by 20% off the standard Initial Franchise Fee.

##### Initial Advertising Fee - GoMobile Tires

You are required to pay to us an Initial Advertising Fee of \$25,000 upon signing the Franchise Agreement. This fee is for initial advertising and marketing in your market area during approximately the first three months of your business operations. As of the issuance date of this disclosure document, we use an advertising agency to manage such advertising and marketing. This may include TV, radio, Google ads, social media, billboards, and/or other mediums at our discretion.

##### Initial Advertising Fee GoMobile Detail

You are required to pay to us an Initial Advertising Fee of \$10,000 upon signing the Franchise Agreement. This fee is for initial advertising and marketing in your market area during approximately the first three months of your business operations. As of the issuance date of this disclosure document, we use an advertising agency to manage such advertising and marketing. This may include TV, radio, Google ads, social media, billboards, and/or other mediums at our discretion.

##### Purchase of Vehicle and Initial Equipment and Supplies

You must purchase from us, our affiliate, or a supplier we designate (as we determine) your vehicle with our branding and certain initial equipment and supplies at a purchase price ranging from approximately \$135,000 to \$150,000 for a GoMobile Tires franchise or \$80,000 to \$95,000 for a GoMobile Detail franchise. This amount is payable upon signing the Franchise Agreement. As of the issuance date of this disclosure document, such equipment and supplies include a tire changer, wheel balancer, compressors, battery power systems, SIM card for your electronic device, and Bluetooth card reader for receiving customer payments. In this disclosure document, the branded vehicle and initial equipment and supplies are referred to as the "Start-Up Package."

### Multiple Franchise Purchases

If you are purchasing multiple franchises simultaneously, then you will execute multiple Franchise Agreements at the same time. You will pay 100% of the Initial Franchise Fee for the first franchise and 50% of the Initial Franchise Fees for each additional franchise at the time you sign such Franchise Agreements. You will pay the 50% unpaid balance of the Initial Franchise Fees for the additional franchises before the opening of each relevant Franchise Office.

### Transfer Fee

If you obtain a franchise by purchasing the business of one of our existing franchisees, you will not pay the Initial Franchise Fee, but you or the existing franchisee must pay us a transfer fee of 50% of our then- current Initial Franchise Fee. The mandatory initial training program is included in that fee. In the event that you sell your franchised operation, a separate transfer fee may apply. Payment of the transfer fee covers reasonable legal, accounting, credit check, and investigation expenses that result from the transfer and relieves you of your obligation to pay the initial franchise fee.

### Uniformity of Fees

The initial fees are uniform except as described in this Item 5. We intend to raise the initial franchise fee after certain growth levels have been attained. The increased franchise fee and timing have not been determined as of this date.

### Financing

We do not finance any portion of the initial fees.

Non-Refundable - All initial fees are deemed earned upon receipt and are non-refundable.

Miscellaneous - We may offer franchises at a reduced rate to prospective franchisees who in our opinion possess the knowledge and experience to conduct business with minimal assistance from us or who are purchasing multiple franchises. We may grant new franchises to our owners and employees and their family members with reduced or no initial fees.

You will be responsible for paying all other fees required under the applicable Franchise Agreements as provided in those agreements. These fees are not refundable under any circumstances.

**Item 6  
Other Fees**

<u>Type of Fee</u>	<u>Amount</u>	<u>Date Due</u>	<u>Remarks</u>
Monthly Royalty Fee	5% of your monthly Gross Revenue <sup>1</sup>	Payable monthly by the 5 <sup>th</sup> day of each month <sup>2</sup> for the prior month	See Notes 1 and 2
Monthly Software Fee <sup>3</sup>	Then-current rates, currently \$350 per month per vehicle	Payable monthly as described in the Operations Manual	See Notes 2 and 3
Local Advertising Expenditure	2.5% of Your Monthly Gross Revenue (commencing at the beginning of the fourth full calendar month after you begin operations)	You must spend this money each month on local advertising and promotion	These expenditures will be made directly by you, subject to our approval.
Additional Training at Franchisee's Request	Then-current rates, currently \$500 per day. You are responsible for your and our transportation, meals and lodging (and wages for your employees).	Before or after you open your franchise for business.	See Note 4.
Additional Training or Conventions Required or Offered by Franchisor	We may charge a training fee at our then-current rates, currently up to \$500 per day. You are responsible for your and our transportation, meals and lodging (and wages for your employees).	Before or after you open your franchise for business.	See Note 4.
Additional Training Required by Franchisor Based on Franchisee's Deficiency	Then-current rates, currently \$500 per day. You are responsible for your and our transportation, meals and lodging (and wages for your employees).	Before or after you open your franchise for business.	See Note 4.
Transfer Fee <sup>5</sup>	50% of our then-current Initial Franchise Fee (or \$2,500 if the owners of an entity franchisee are transferring less than 20% of the ownership interest in the entity)	Before transfer	Paid to us if you transfer your franchise. This amount covers our legal, accounting, credit check, and investigation expenses transfer. The Transfer Fee is subject to state law that result from the transfer. The transfer fee is subject to State Law

Transfer Commission Fee	10% commission on the gross transfer price (excluding the price of real property)	Upon transfer	Paid to us if we obtain the transferee for you
Renewal Fee	10% of our then- current Initial Franchise Fee	Upon renewal	
Relocation	You will reimburse us for our reasonable out- of-pocket costs concerning the relocation.	Before relocation	
Late Charge	1.5% per month	Each month that amounts owed remain unpaid	You will not be compelled to pay late charges at a rate greater than the maximum allowed by applicable law.
Late Payment Penalty	5% of the amount due	As incurred	You will not be compelled to pay late payment penalty in an amount greater than the maximum allowed by applicable law.
Proposed Source Testing Costs	As incurred	As incurred	You must reimburse us for our out of pocket expenses and costs we incur to test new products or sources you request for approval (See Item 8 and Franchise Agreement Section 5.1).
Audit <sup>6</sup>	Our reasonable costs for the audit if you understate Gross Revenue by more than 2% or fail to deliver to us required reports on time	Immediately upon demand	See notes below.
Cured Lease Breach Reimbursement Fee	As incurred	As Incurred	If we cure any breach by you under the lease or sublease, you must pay us the total amount of all costs and payments transfer. The Transfer Fee is subject to state law. we incur in effecting the cure.

Interim Management Fees	As incurred	As Incurred	You must pay us a reasonable management fee for management services if we step-in to operate your franchise pursuant to the Franchise Agreement. We will not be liable for any debts, losses, costs or expenses incurred in the operation of the Franchise during any interim management period.
Liquidated Damages	The amount you would have paid for Royalty Fees for the lesser of (1) the remaining term of the Franchise Agreement, or (2) 12 months. Such payment will be calculated based on the average Royalty Fees paid (or if unpaid, payable) during the immediately preceding 12-month period (or shorter period if you will have operated for less than 12 months)	Within 30 days following the date of termination.	Payable if you default and we terminate your Franchise Agreement. See the State Law Addendum attached to the FDD for state- required revisions to the Franchise Agreement's liquidated damages provisions.
Indemnification	As incurred	As incurred	You must defend, indemnify and hold us harmless from all claims, losses, and expenses (including attorneys' fees) damages arising out of or connected with your Franchise and the business activities, acts or omissions (whether or not negligent or wrongful) of you and your employees and agents.
Cost of Enforcement	As incurred	As incurred	We may recover from you the amount of our reasonable attorneys' fees and all other expenses we incur in enforcing your monetary and other obligations under the Franchise Agreement.

Unless otherwise indicated in this Item 6, all ongoing fees are:

- (i) imposed by and payable to us,
- (ii) non-refundable, and
- (iii) uniformly imposed.

Notes:

- 1) Gross Revenue and Reporting. "Gross Revenue" means all receipts generated by the franchise from any source including sales, exchanges, services, labor, service charges, etc. Credit sales shall be calculated as of the date of sale without deduction for uncollected credit accounts. "Gross Revenue" shall not include bona fide credits for returns, promotional discounts, or the amounts collected and paid to appropriate governmental authorities under the provisions of any Sales Tax, Retailer's Occupation, or similar Act. The proceeds from any business interruption insurance you receive are included in "Gross Revenue."
- 2) Customer Collections and Payments. You will collect customer payments directly and remit fees payable under the Franchise Agreement to us at such times and in such manner(s) as we may reasonable designate. You will deliver to us an itemized report of your Gross Revenue for the preceding month, as may be outlined in the Operations Manual. The report must be in the form we designate. All Royalty Fees and other fee payments based upon the Gross Revenue for the preceding month must be submitted with the report (or we may require payment via automatic account withdrawal or other automatic processes we reasonably specify in the Operations Manual).

Or, we reserve the right to require you to use a billing and payment processing company ("Billing Company") we designate to process all payments received and derived from all sources (including customer payments) in connection with your Franchise. The Billing Company would have the right to automatically deduct from your account and pay to us all fees and payments required of you under this Agreement. The Billing Company may be affiliated with us or may be a company in which we or our owners otherwise have ownership or control. The Billing Company will have the right to pass on to you the merchant processing costs and fees, and the Billing Company's reasonable fees, associated with processing your customers' payments.

Or, we reserve the right to collect payments directly from your customers and remit funds to you after deducting all fees payable to us under the Franchise Agreement. We will remit payment to you by the fifteenth (15th) day of each month based on payments for the prior month (or at such other times as we may reasonably designate in our Operations Manual).

- 3) Monthly Software Fee. This fee is payable to us. As of the issuance date of this disclosure document, the Monthly Software Fee is for your use of the designated scheduling software and e-commerce site for the sale of tires (which will be tied to your location page on our main site).
- 4) Additional Training.
  - a. *Requested by You.* Training requested by you will be at our headquarters or at other agreed upon locations. The duration and timing of this training is negotiable depending upon your needs and our availability.
  - b. *Required or Offered by Us.* We may provide refresher training programs or seminars and may require that you and/or your manager(s) and/or your technician(s) attend and complete them to our satisfaction. Any new technician you hire must successfully complete our training program before servicing your customers. These programs and seminars will be held at locations we designate.
  - c. *Additional Training Required by Franchisor Based on Franchisee's Deficiency.* We may require you to participate in additional training if you fail to meet our standards and specifications in the opening or operation of your Franchise as we determine at our discretion. This training will typically be held at our headquarters or your location at our discretion.
  - d. You will not receive any compensation for services rendered by the trainee during any training. We may

designate qualified franchisees, area representatives, or third parties to conduct some or all of your training.

- 5) Transfer Fee. The Transfer Fee is payable by you or the transferee if you transfer your franchise (see Franchise Agreement, Section 7.1). If you obtain a franchise by purchasing the business of one of our existing franchisees, then you may also incur certain costs associated with bringing your Franchised Operation into compliance with our requirements.
- 6) Audits. We may audit your reports, books, statements, business records, cash control devices, and tax returns at any time during normal business hours. Audits will be conducted at our expense unless you understate the Gross Revenue for any reported period or periods by more than 2% or unless you fail to deliver any required report of Gross Revenue or any required financial statement in a timely manner. In the event of an understatement or failure to deliver, you will reimburse us for all audit costs. These will include, among other things, the charges of any independent accountant and the travel expenses, room, board, and compensation of our employees incurred in connection with the audit. You will immediately pay all Royalty Fees and all other fees and late payment charges that the audit determines are owed (which we may deduct from payments we or our designated Billing Company collect from your customers). These payments will not prejudice any other remedies we may have under this Agreement or by law.

**Item 7**  
**Estimated Initial Investment**

**YOUR ESTIMATED INITIAL INVESTMENT**  
(GoMobile Tires Franchise)

<u>Type of Expenditure</u>	<u>Amount</u>	<u>Method of Payment</u>	<u>When Due</u>	<u>To Whom Payment Is Made</u>
Initial Franchise Fee <sup>1</sup>	\$35,000	Cash, Certified Check or Wire Transfer	Upon execution of the Franchise Agreement	Us
Initial Advertising Fee <sup>2</sup>	\$25,000	Cash, Certified Check or Wire Transfer	Upon execution of the Franchise Agreement	Us, Our Affiliate and/or Suppliers
Branded Vehicle and Certain Initial Equipment and Supplies <sup>3</sup>	\$135,000 to \$150,000	Cash, Certified Check or Wire Transfer	Upon execution of the Franchise Agreement	Us or Our Affiliate
Vehicle Delivery	\$2,000 to \$3,000	Cash, Certified Check or Wire Transfer	Prior to or upon receipt of vehicle(s)	Vehicle Transport Company
Payroll – 3 months	\$9,000 to \$12,000 (\$3,000 to \$4,000 per month)	As Incurred	As Incurred	Employees
Out-of-Pocket Expenses During Training <sup>7</sup>	\$1,000 to \$5,000	As Incurred	During Training	Airlines, Hotels, Restaurants, etc.
Licenses and Permits	\$100 to \$500	As Incurred	As Incurred	Government agencies, etc.
Professional Fees	\$1,000 to \$2,000	As Incurred	As Incurred	Professionals (such as Accountant or Lawyer)
Insurance (Annual)	\$7,000 to \$8,500	As Incurred	Before Opening	Insurers
Rent for Office or Warehouse (if Applicable) – 3 months <sup>8</sup>	\$0 to \$3,600 (\$0 to \$1,200 per month)	As Incurred	As Incurred	Landlord
Smart Phone or Tablet	\$500 to \$1,000	As Incurred	Before Opening	Suppliers
Miscellaneous Opening Costs	\$1,000 to \$2,000	As Incurred	As Incurred	Suppliers, Utilities, etc.
Additional Funds – 3 months <sup>9</sup>	\$5,000 to \$10,000	As Incurred	As Incurred	Employees, Suppliers, Utilities, etc.
<b>Total</b> <sup>10, 11</sup>	<b>\$221,600 to \$257,600</b>			

**YOUR ESTIMATED INITIAL INVESTMENT**  
(GoMobile Detail Franchise)

<u>Type of Expenditure</u>	<u>Amount</u>	<u>Method of Payment</u>	<u>When Due</u>	<u>To Whom Payment Is Made</u>
Initial Franchise Fee <sup>1</sup>	\$10,000	Cash, Certified Check or Wire Transfer	Upon execution of the Franchise Agreement	Us
Initial Advertising Fee <sup>2</sup>	\$10,000	Cash, Certified Check or Wire Transfer	Upon execution of the Franchise Agreement	Us, Our Affiliate and/or Suppliers
Branded Vehicle and Certain Initial Equipment and Supplies <sup>3</sup>	\$80,000 to \$95,000	Cash, Certified Check or Wire Transfer	Upon execution of the Franchise Agreement	Us or Our Affiliate
Vehicle Delivery	\$2,000 to \$3,000	Cash, Certified Check or Wire Transfer	Prior to or upon receipt of vehicle(s)	Vehicle Transport Company
Payroll – 3 months	\$9,000 to \$12,000 (\$3,000 to \$4,000 per month)	As Incurred	As Incurred	Employees
Out-of-Pocket Expenses During Training <sup>7</sup>	\$1,000 to \$5,000	As Incurred	During Training	Airlines, Hotels, Restaurants, etc.
Licenses and Permits	\$100 to \$500	As Incurred	As Incurred	Government agencies, etc.
Professional Fees	\$1,000 to \$2,000	As Incurred	As Incurred	Professionals (such as Accountant or Lawyer)
Insurance (Annual)	\$7,000 to \$8,500	As Incurred	Before Opening	Insurers
Rent for Office or Warehouse (if Applicable) – 3 months <sup>8</sup>	\$0 to \$3,600 (\$0 to \$1,200 per month)	As Incurred	As Incurred	Landlord
Smart Phone or Tablet	\$500 to \$1,000	As Incurred	Before Opening	Suppliers
Miscellaneous Opening Costs	\$1,000 to \$2,000	As Incurred	As Incurred	Suppliers, Utilities, etc.
Additional Funds – 3 months <sup>9</sup>	\$5,000 to \$10,000	As Incurred	As Incurred	Employees, Suppliers, Utilities, etc.
<b>Total<sup>10, 11</sup></b>	<b>\$126,600 to \$162,600</b>			

## Notes

1. Initial Franchise Fees. You are required to pay to us the Initial Franchise Fee upon signing the Franchise Agreement.
2. Initial Advertising Fees. You are required to pay to us the Initial Advertising Fee upon signing the Franchise Agreement. This fee is for initial advertising and marketing we will conduct or manage through third parties in your market area during approximately the first three months of your business operations. You may wish to conduct additional advertising and promotion, subject to our prior approval, at your sole cost and expense.
3. Branded Vehicle and Certain Initial Equipment and Supplies. You must purchase from us or our affiliate your vehicle with our branding and certain initial equipment and supplies. This amount is payable upon signing the Franchise Agreement.
4. Computer Hardware and Software. Computer hardware and software is required as outlined in the Operations Manual. The low-end of the estimate assumes you already have certain computer hardware and software that meets our criteria. You must have or purchase a computer, printer and scanner and have telephone and high-speed internet consistent with minimum requirements and standards that may be outlined in the Franchise Agreement and the Operations Manual.
5. Other Equipment and Supplies. You must purchase other equipment and supplies consistent with the operational needs of your Franchise and as may be required in our Operations Manual.
6. Initial Inventory. You must purchase inventory as outlined in the Operations Manual.
7. Training. The costs of training are included in your Initial Franchise Fee. The estimates in the above table cover out-of-pocket expenses that you incur associated with the training. These estimates are based on one or two people attending training. We will have no obligation to provide initial training at our expense except for your first franchise. Additional training is outlined in Item 11, below.
8. Rent for Office or Warehouse. The low-end estimate assumes operation from a home office, while the high-end estimate assumes operation from an office or warehouse. You may or may not be able to operate from a home office depending upon local laws and regulations.
9. Initial Start-Up Phase and Working Capital. We estimate that the initial phase covered by the additional funds estimate to be approximately three months. Additional funds are provided only as estimates and apply only to your initial three months of operations of your first Franchise. The high and low range estimates are based on our affiliate's experience in opening and operating one or more similar businesses. We believe that these figures provide an accurate minimum estimate of the additional funds necessary for the initial three-month phase of operations for your first franchise only. This is only an estimate, and we cannot guarantee that the amounts specified will be adequate. The investment and expenditures required of actual franchisees may vary considerably from the projections outlined in this Item 6, depending on many factors, including geographical area, the amount of space leased by you, if any, and the capabilities of any particular management and service team.
10. Multiple Franchise Purchases. You should expect to incur these expenses for each separate franchise you purchase.
11. Refunds and Financing. Fees you pay to us or our affiliates are non-refundable (except as otherwise provided in Item 5, if applicable). Fees you pay to third parties may or may not be refundable depending upon the agreements you have with them. We do not finance any of these initial expenses.

Financing sources may reduce your initial cash requirements, and the availability and terms of financing to any individual franchisee will depend upon factors like the availability of financing in general, your credit worthiness, the collateral security that you may have and policies of lending institutions concerning the type of business to be operated by you.

## Item 8 Restrictions on Sources of Products and Services

### Products, Equipment and Services

We will upload a copy of our Operations Manual to the franchisee portal. The Operations Manual contains the System and related specifications and standards. We may amend the Operations Manual, including changes that may affect minimum requirements for your franchise operations. You will strictly follow the requirements of the Operations Manual as we amend it. You will carry out immediately all changes at your cost unless we otherwise specify. The Operations Manual is confidential and our exclusive property.

You must purchase all items and services needed for the operation of your franchise either from us, our affiliates, one or more exclusively designated suppliers, our approved suppliers, or subject to our standards and specifications as we will designate.

As of the issuance date of this disclosure document, you must purchase the following categories of items and/or services from us or our affiliate:

1. **Initial Advertising Fee.** You are required to pay to us an Initial Advertising Fee upon signing the Franchise Agreement. This fee is for initial advertising and marketing we will conduct or manage through third parties in your market area during approximately the first three months of your business operations.
2. **Tires.** For a GoMobile Tires franchise, you must purchase all tires from us or our affiliate as we will designate.

As of the issuance date of this disclosure document, you must purchase from us, our affiliate, or a supplier we designate (as we determine) your vehicle with our branding and certain initial equipment and supplies. As of the issuance date of this disclosure document, such equipment and supplies include the following: tire changer, wheel balancer, and compressors (required only for a GoMobile Tires franchise); Steamer, vacuum systems, specialized detail equipment (required only for a GoMobile Detail franchise); battery power systems (including solar); your initial uniforms; SIM card for your electronic device; and Bluetooth card reader for receiving customer payments.

As of the issuance date of this disclosure document, you must purchase the following categories of items and/or services from our approved or designated suppliers: certain tire pressure monitoring system products (required only for a GoMobile Tires franchise), all cleaning materials and consumables (required only for a GoMobile Detail franchise), and delivery of your vehicle(s) by a vehicle transport company.

We may require you to purchase advertising materials and all other items that bear our Marks (including uniforms) from us or our approved suppliers.

In addition to the Monthly Software Fee, you must purchase an online subscription to the version of QuickBooks we specify (or such other accounting software as we may designate). You must use this accounting software in the operation of your franchise. We may require you to purchase and use additional hardware and software at our reasonable discretion. We may require you to purchase such additional hardware and software (including subscriptions) from our designated or approved suppliers or subject to our minimum specifications (as we may specify).

We (or our affiliate) reserve the right to charge you credit card processing fees if we (or our affiliate) collect payments directly from your customers. If we elect for you to collect your customer payments, you must use our designated merchant processor to process debit and credit card payments.

You must have high-speed internet consistent with our minimum standards and specifications.

As of the issuance date of this disclosure document, you must purchase all other items and/or services in compliance with our minimum standards and specifications as may be outlined in our Operations Manual. These include but are not limited to consumables, wheel weights, cleaning materials, office supplies, hand tools, and smartphone or tablet. We will supply your phone number via a SIM card into your device; we will manage the SIM card and its data.

The actual amount purchased may vary. The amount that you pay to any approved supplier is refundable only to the extent negotiated with such approved supplier.

All specifications that we require of you and lists of equipment and designated and approved suppliers will be included in the Operations Manual. We will upon request provide our minimum specifications to approved suppliers and suppliers seeking approval. We will use our best judgment to set and modify specifications to maintain the integrity and quality of our franchise system.

Our principal officers, Derek Naidoo is the owner of us and our affiliates. There are no other approved suppliers in which any of our officers owns an interest.

Subject to our right to designate one or more exclusive suppliers (which may include us or our affiliates), with advance written notice, you may request our approval to obtain products, equipment, supplies or materials from sources that we have not previously approved. We may require you to give us sufficient information, photographs, drawings, samples, and other data to allow us to determine whether the items from these other sources meet our specifications and standards, as established from time to time. These specifications and standards will relate to factors such as the following (to the extent applicable): quality, durability, value, cleanliness, texture, composition, strength, finish and appearance, and the suppliers' capacity and facility to supply your needs in the quantities, at the times, and with the reliability necessary for efficient operation. We may require that samples from any supplier be delivered to a designated independent testing laboratory for testing before approval and use. You will reimburse us for the actual cost of the tests. We will license any supplier that can meet or exceed our quality control requirements and standards, for a reasonable license fee, to produce and deliver products to you but to no other person. Our confidential recipes, requirements, designs, systems and formulas will be revealed to potential suppliers only after we have received reasonable evidence that the proposed supplier is trustworthy and reputable; has the capacity to consistently follow our standards, requirements and testing procedures; will maintain the confidentiality of the designs, systems and formulas; and will adequately supply your reasonable needs. We will not unreasonably withhold approval of a supplier you propose (unless we designate an exclusive supplier for the particular product or service). We will endeavor in good faith to notify you in writing of the approval or disapproval of any supplier you propose within 30 days of our receipt from you of your written notice of request for approval.

We or our agents may inspect any approved manufacturer, supplier or distributor facilities and products to assure proper production, processing, packaging, storing, and transportation. Permission for inspection will be a condition of our continued approval of any manufacturer, supplier or distributor. If we find from any inspection that a manufacturer, supplier or distributor fails to meet our specifications and standards, we will give written notice describing this failure to you and to the manufacturer, supplier or distributor, with a notice that unless the failure or deficiency is corrected within 30 days, the manufacturer, supplier or distributor will no longer be approved.

We estimate that your purchases from us, our affiliates, exclusive suppliers, approved suppliers, or subject to our specifications and standards will be from 90% to 100% of the total purchases you make to establish your franchise.

We estimate that your purchases from us, our affiliates, exclusive suppliers, approved suppliers, or subject to our specifications and standards will be from 50% to 60% of the total purchases you make to operate your franchise.

We and our affiliate may derive revenue from providing products and services directly to our franchisees. During our last fiscal year, we received such revenue in the amount of \$0 (which was 0% of our total revenue).

We and our affiliate may receive rebates, price adjustments, or discounts on products or services sold to you by recommended or approved suppliers.

For the GoMobile Tires franchise, as of the issuance date of this disclosure document, we anticipate receiving rebates from approved suppliers of the following goods and/or services: certain tire pressure monitoring system products (these rebates are based on franchisee purchases and range from 5% to 10% of the purchase price) and tires (these rebates are based on purchases and range from 1% to 1.5% of the purchase price).

For the GoMobile Detail franchise, as of the issuance date of this disclosure document, we anticipate receiving

rebates from approved suppliers of the following goods and/or services: cleaning materials and consumables (these rebates are based on franchisee purchases and range from 1% to 5% of the purchase price).

There are no other obligations for you to purchase or lease according to specifications or from approved suppliers. Except as explained above, we have no required specifications, designated suppliers or approved suppliers for goods, services, or real estate related to your franchise business. Except as explained above, we will not derive revenue from your purchases or leases.

We do not provide material benefits to you based on your purchase of particular products or services or the use of designated or approved suppliers. However, to renew your franchise or purchase additional franchises, you must comply with your Franchise Agreement, which includes compliance with any standards or specifications in our Operations Manual regarding product and service purchases and the use of designated or approved suppliers.

We intend to negotiate purchase arrangements with suppliers, including price terms, for the benefit of our franchisees. We have not yet entered into any formal purchasing or distribution cooperatives related to our franchise system, but we reserve the right to do so. In the future, we hope to create and augment the effectiveness of cooperatives for the purchase of materials and the provision of advertising, for the benefit of the franchise system.

You may not sell any products, services or activities other than those specifically recognized and approved by us as part of our franchise system without our prior written approval.

You are required to follow our customer service and warranty requirements outlined in the Operations Manual.

#### Insurance

You must maintain at your own expense the insurance coverage that we periodically require from acceptable underwriters and brokers we have approved. Insurance policies are subject to our approval. Our requirements for insurance coverage are in the Franchise Agreement and our Operations Manual.

1. You must, at your own cost and expense, acquire and maintain at all times while you are a franchisee, with carriers satisfactory to us, sufficient insurance to adequately protect the respective interests of the parties, including your indemnity obligations under the Franchise Agreement. Specifically, during the term of the Franchise Agreement, you must maintain in force policies of insurance with the following minimum limits of coverage for each Franchise:
  - A. Broad form commercial general liability coverage, on an occurrence form (including premises and operations, products and completed operations, personal & advertising injury, broad form contractual, and employers liability), against claims for bodily injury, personal injury, including death, and property damage with minimum limits of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate for each coverage;
  - B. All risk property insurance including equipment breakdown for the full replacement cost sufficient to cover all business personal property including contents, leasehold improvements, furniture, fixtures, equipment, and signs;
  - C. Loss of income including extra expense insurance with sufficient limits to cover all ongoing expenses, including, future profits, royalty fees, advertising contributions, ordinary payroll for competent personnel and other fixed expenses for a minimum of 24 months from the date of loss;
  - D. Plate glass insurance (if applicable);
  - E. Worker's compensation and employer's liability insurance in statutory amounts;
  - F. Unemployment insurance and state disability as required by governing laws;
  - G. Business automobile liability, including bodily injury and property damage coverage for all owned, non-owned and hired vehicles, with limits of not less than \$1,000,000 for injuries to persons resulting from any one accident, and \$500,000 for property damage resulting from any one accident;
  - H. Commercial umbrella liability insurance with limits not less than \$2,000,000 each occurrence. The umbrella liability will be on a following form basis of the underlying policies (commercial general liability, premises and

operations, products and completed operations, personal and advertising injury, automobile and employers liability);

- I. Blanket employee dishonesty coverage with minimum limits of not less than \$50,000;
  - J. Monies and securities (crime) coverage with limits of not less than \$10,000 inside limit and \$5,000 outside limit; and
  - K. Cyber and privacy liability with minimum limits of \$30,000, including crisis management and data extortion expense.
2. You must also maintain such additional insurance as is necessary to comply with all legal requirements concerning insurance as well as any other insurance required by your landlord. We may periodically increase the amounts of coverage required under such insurance policies and require different or additional kinds of insurance at any time (upon 60 days' advance notice), including higher liability limits, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances.
3. Each insurance policy shall:
- (1) name franchisor and each of its affiliates, directors, agents and employees (as we may specify to you) as additional insureds (except for worker's compensation and employer's liability insurance coverage) on a primary, non-contributory basis and provide a waiver of subrogation rights against us;
  - (2) provide for 30 days' prior written notice to us of any material modification, cancellation, or expiration of the policy; and
  - (3) provide that coverage applies separately to each insured. In the case of property insurance, the franchisor parties must be named as their interests may appear. Insurance carriers must be authorized to do business in the state where your Franchise Office is located, be rated at least A-X with A.M. Best and approved by us. At our discretion, we may require you to purchase your insurance from a specific insurance carrier. Upon request, you must provide us with proof of insurance in compliance with the Franchise Agreement.

**Item 9  
Franchisee's Obligations**

**FRANCHISEE'S OBLIGATIONS**

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

<u>Obligation</u>	<u>Section in Franchise Agreement ("FA")</u>	<u>Disclosure Document Item</u>
a. Site selection and acquisition or lease	FA Section 1.1, 1.2 & 1.3	Items 6 & 12
b. Pre-opening purchases and leases	FA Sections 4.1, 5.1 & 8.2	Items 7 & 8
c. Site development and other pre-opening requirements	FA Sections 1.4, 3.1, 4.1 & 5.1	Items 7, 8 & 12
d. Initial and ongoing training	FA Sections 3.1, 3.2 & 3.3	Items 6 & 11
e. Opening	FA Sections 4.1 and 5.1	Item 11
f. Fees	FA Sections 2, 6.1, & 7.1	Items 5, 6 & 17
g. Compliance with standards & policies/Operations Manual	FA Sections 5 & 6.3	Items 11 & 17
h. Trademarks and proprietary information	FA Sections 1.1, 5.1, 5.3, 5.4, 5.5, 5.8, 5.9, 6.5, 9.2 & 9.10	Items 13, 14 & 17
i. Restrictions on products and services offered	FA Sections 1.1, 1.2, 5.1, 5.2, 5.3, 5.4, 5.5, 5.8, 5.9, 6.3, 6.5	Items 8, 12, 13, 16 & 17
j. Warranty and customer service requirements	FA Sections 5.1, 5.2, 5.5 & 5.14	Item 11
k. Territorial development and sales quotas	FA Sections 1.1 & 1.11	Items 7 & 12
l. Ongoing product & service purchases	FA Sections 2.11, 5.1, 5.2, 5.5, 5.10, 5.13 & 8.2	Items 7 & 8
m. Maintenance, appearance and remodeling requirements	FA Sections 1.4, 1.5, 5.1, 5.2, 5.5 & 6.5	Items 7, 11 & 17
n. Insurance	FA Section 8.2	Items 7 & 8
o. Advertising	FA Sections 2.5, 5.1, 5.2, 5.3, 5.4, 5.5 & 6.5	Items 9 & 11
p. Indemnification	FA Sections 6.7 & 8.1	Item 6
q. Owner's participation/management/staffing	FA Sections 2.11, 3, 4.1, 5, 6.5, 6.7, 7, 9.3, 9.10, 9.12 & 9.14	Items 11, 15 & 17
r. Records and reports	FA Sections 2.9, 5.1, 5.2 & 5.5	Items 6, 11 & 17
s. Inspections and audits	FA Sections 2.10, 5.1, 5.2 & 5.5	Items 6, 11 & 17
t. Transfer	FA Section 7	Item 17
u. Renewal	FA Section 6.1	Item 17
v. Post-termination obligations	FA Sections 5.8, 5.9, 6.5, 6.6, 6.7, 9.9, 9.10	Item 17
w. Non-competition covenants	FA Sections 5.8, 5.9, 6.5, 6.6, 6.7, 9.9, 9.10	Item 17

x. Dispute resolution	FA Sections 9.7 & 9.8	Item 17
<u>Obligation</u>	<u>Section in Franchise Agreement ("FA")</u>	<u>Disclosure Document Item</u>
y. Other: Personal Guaranty	FA Section 9.13 and FDDExhibit I	Item 15

**Item 10**  
**Financing**

We do not provide direct or indirect financing and do not assist in providing financing for you. We do not guarantee any notes or financial obligations.

**Item 11**  
**Franchisor's Assistance, Advertising, Computer Systems, and Training**

**Except as listed below, GoMo Tires LLC is not required to provide you with any assistance.**

**Pre-Opening Obligations**

Before you open your franchise, we will:

- 1) Designate your Franchise Territory in the Franchise Agreement before the Franchise Agreement is executed. (Franchise Agreement, Section 1.1) The exact determination of the Franchise Territory will depend upon your approval and our market analysis, market penetration plans and franchise placement strategies. Among the factors we consider to determine the feasibility of possible franchise territories are population demographics and competition.
- 2) Provide initial orientation and training to you and your designated manager (if any) and technician. (Franchise Agreement, Section 3.1)
- 3) Loan you a copy of the confidential Operations Manual. (Franchise Agreement, Section 5.1).
- 4) Provide your vehicle with our branding and certain initial equipment and supplies. (Franchise Agreement, Section 2.1.3)
- 5) Provide written standards and specifications regarding your equipment, fixtures, inventory, supplies, and décor (as applicable). (Franchise Agreement, Section 5.1)
- 6) Give you a list of approved or designated suppliers. (Franchise Agreement, Section 5.1)

We do not provide assistance with selecting or approving your office location (which may be a residence), conforming your office or warehouse (if applicable) to local ordinances and building codes, obtaining any required permits, or hiring and training employees. Your office must be located within your Franchise Territory.

Time to Open

The typical length of time between the signing of the Franchise Agreement or first payment of consideration for the Franchise and the opening of the Franchise for business is about 20 to 30 days. You must complete the mandatory training program and commence business operations within 30 days after you sign the Franchise Agreement. (Franchise Agreement, Section 4.1) Factors that may affect this time are finding and negotiating for the Franchise Office, arranging for the training session, financing and business permit requirements, obtaining initial equipment and vehicle(s), and your personal operational needs. Any failure caused by a war or civil disturbance, a natural disaster, a labor dispute, shortages or other events beyond your reasonable control will be excused for a time that is reasonable under the circumstances.

Operations Manual Table of Contents

The Operations Manual is confidential and remains our property. It contains mandatory and suggested specifications, standards and procedures. We may modify the Operations Manual, but the modifications will not alter your basic status and rights under the Franchise Agreement. The revisions may include advancements and developments in services, supplies, equipment, sales, marketing, operational techniques, and other items and procedures used for the operation of the franchise. (Franchise Agreement, Section 5) The table of contents of the current version of the Operations Manual and the number of pages in each section is included in Exhibit L.

Initial Training Program

Before you commence your Franchise operations, we will provide you, your manager (if any), and your technician a mandatory initial training program that lasts approximately three days. A portion of the initial training program is held via online video conference and the other portion is held onsite in your Franchise Territory. We reserve the right to provide some or all of the training via webcast or other technology. The initial training program is included in the Initial Franchise Fee. Accommodations, travel, room, board, and wage expenses for any of your personnel

during this period are borne by you. You must notify us of the identity(ies) of your designated manager (if any) and technician(s). The training program must be completed by all franchisees and their designated manager(s) (if any) and technician(s) unless, at our reasonable discretion, based upon a franchisee's, designated manager's, or technician's experience, it is deemed unnecessary. (Franchise Agreement, Section 3.1).

The subjects covered during training and the duration of training are subject to change. The following table outlines our initial training program as of the issuance date of this disclosure document.

**INITIAL TRAINING PROGRAM**  
(GoMobile Tires Franchise)

Subject	Hours Of Online Training	Hours Of On-The-Job Training	Location
Scheduling System	2		Via Online Video Conference
Point of Sale	1		
E-Commerce Application	1		
Standard Operating Procedures When Delivering Services	1		
Tire Changing Equipment		6	Onsite in Your Franchise Territory
Tire Pressure Monitoring System (TPMS) Programming and Replacement		4	
<b>Total</b>	<b>6</b>	<b>10</b>	

For the GoMobile Tires franchise, our key trainers are Lee Breuning, Josh Lopez and Joe Flores. Lee has decades of experience in the tire equipment industry and is responsible for our technician training on the tire changers and wheel balancing equipment. Josh Lopez has served as our TPMS trainer since 2020 and in the same position for our affiliate since June 2019. His field experience in the subjects he teaches at training dates back to at least 1996. Joe Flores has been one of our Directors of Franchise Business Development since 2020 and for our affiliate since 2019. He is our tire and wheel purchasing expert. His experience in the subjects he teaches at training dates back to the 1970s. Other relevant background information is disclosed in Item 2, above. We also may use representatives of equipment manufacturers to provide certain elements of the training. We anticipate that each trainer will have at least approximately ten years of field experience in the subject(s) she/he teaches at training. We use the Operations Manual for instructional material.

**INITIAL TRAINING PROGRAM**  
(GoMobile Detail Franchise)

Subject	Hours Of Classroom Training	Hours Of On-The-Job Training	Location
Scheduling System	2	4	Via Online Video Conference
Point of Sale	1	2	
E-CommerceApplication	1	2	
ConsumablePurchasing	1	4	
Standard Operating Procedures When Delivering Services	1	8	
Detailing Equipment		6	Onsite in Your Franchise Territory
<b>Total</b>	<b>6</b>	<b>10</b>	

For the GoMobile Detail franchise, our key trainers are Christopher Stenerson, Kristy Barnett and Kevin Dai. Kristy has served as our Operations Manager since 2020 and in the same position for our affiliate, GoMobileTires USA, LLC, since 2019. Her field experience in the subjects she teaches at training dates back to 2019. Kevin has been our and our affiliate’s software application training expert since 2020. His field experience in the subjects he teaches at training dates back to 2017. Christopher has served as our and our affiliate’s equipment trainer since 2019. His field experience in the subjects he teaches at training dates back to 2014. We also may use representatives of equipment manufacturers to provide certain elements of the training. We anticipate that each trainer will have at least approximately one year of field experience in the subject(s) she/he teaches at training. We use the Operations Manual for instructional material.

Training is scheduled and held on an “as needed” basis depending on the number of franchisees requesting training in a particular time frame and the franchisor’s training personnel’s availability. The initial training program must be completed before the scheduled date of the opening of the franchise.

You must complete the initial mandatory training program to our satisfaction or we may terminate the Franchise Agreement. You are encouraged to participate in the training session as soon as possible after executing the Franchise Agreement and before incurring any costs or expenses related to the opening of the Franchise. We will not be liable for your costs or expenses if we terminate the Franchise Agreement because you fail to complete the mandatory training to our satisfaction.

Based on our evaluation of your skills and experience (and specifications and standards that may be included in our Operations Manual), we reserve the right to prohibit you (or your owners, if you are an entity) from providing technician services to your customers, in which case you would be required to hire a qualified technician who must successfully complete our training program before servicing customers.

If you desire to have more than two individuals receive initial training, these additional individuals will be accommodated at our convenience. We reserve the right to charge a reasonable fee for the provision of the training for these additional individuals.

We may at any time during initial training inform you that an individual attending training on your behalf is not suitable due to criminal activities, disruptive behavior, or other reasons. Upon that notice, our obligations to train that individual will be deemed to have been discharged.

### Additional Training

*Requested by You.* At your option and upon not less than 30 days' prior written notice to us, you may receive additional training at our headquarters or at other agreed upon locations. All expenses of this training will be borne by you, including your transportation, lodging, meals, compensation, and our reasonable costs and expenses including a reasonable training fee at our then-current rates. The duration and timing of this training is negotiable depending upon your needs and our availability.

*Required or Offered by Us.* We may provide refresher training programs or seminars and may require that you and/or your manager(s) and/or your technician(s) attend and complete them to our satisfaction. Any new technician you hire must successfully complete our training program before servicing your customers. These programs and seminars will be held at locations we designate. We may charge a reasonable training fee at our then-current rates. You will be responsible for your transportation, meals and lodging, and wages for your employees.

*Additional Training Required by Franchisor Based on Franchisee's Deficiency.* We may require you to participate in additional training if you fail to meet our standards and specifications in the opening or operation of your Franchise as we determine at our discretion. This training will typically be held at our headquarters or your location at our discretion. We will charge a reasonable training fee at our then-current rates. You will be responsible for your and our transportation, meals and lodging, and wages for your employees.

(Franchise Agreement, Section 3.2)

### Our Obligations During the Operation of Your Franchise Business

After you open your franchise, we will:

- 1) Provide additional training to you upon your request as described above. (Franchise Agreement, Section 3.2).
- 2) Administer our advertising program and formulate and conduct national and/or regional promotion programs. (Franchise Agreement, Section 2).
- 3) At our discretion, we may inspect the Franchise and conduct activities to ensure compliance with the terms of the Franchise Agreement and Operations Manual to assure consistent quality and service throughout our franchise system. (Franchise Agreement, Sections 2.11 and 5).
- 4) At our discretion, we may inspect the facilities of your manufacturers, suppliers and distributors and notify you and the manufacturers, suppliers, and distributors in writing of any failure to meet our specifications and standards. (Franchise Agreement, Sections 2.11 and 5).
- 5) We may provide other supervision, assistance or services although we are not bound by the Franchise Agreement or any related agreement to do so. These may include, among other things, advertising materials, literature, additional assistance in training, promotional materials, bulletins on new products or services, and new sales and marketing developments and techniques.

### Our Advertising and Brand Development

You will not be required to pay us an advertising fee. We will direct any regional and/or national advertising programs we elect to establish. We will have sole discretion over the creative ideas, materials, endorsements, and placement of advertising and marketing. We may choose to develop our brand through any medium we choose, such as print, online, other technologies, and public relations. For brand development, we may choose to use an in-house advertising department or outside regional or national advertising agencies. We may provide to you advertising materials for you to use in your local advertising and promotional efforts. We are under no obligation to advertise or promote the brand in your market area or any other market area.

(Franchise Agreement, Section 2.5)

We may create an advertising council made up of franchisees selected by us or by vote of franchisees as we determine. We will have the power to form, change, or dissolve the advertising council. The council will serve in an advisory capacity only.

#### Advertising Approval / Webpage / Social Media

*Local Marketing Expenditure.* Commencing at the beginning of the fourth full calendar month after you begin operations, you must spend 2.5% of your Gross Revenue each month on local advertising and promotion. These expenditures will be made directly by you, subject to our approval.

*Promotional Materials and Local Advertising.* We may provide to you an advertising packet with advertising templates we approve for you to use in your local advertising and promotional efforts. Otherwise, you will submit to us all advertising copy and other advertising and promotional materials before you use them in your local advertising program. You will not use any advertising copy or other promotional material until we approve it.

We have established and will maintain a website to advertise and promote our brand. We will provide you with a listing within our website. You must give us the information and materials we request to develop, update, maintain and modify the listing. You will not have the right to create an independent website that includes our Marks or promotes your franchise.

Your use of social media and other online mediums using our brand or promoting your franchise must be in strict compliance with our standards as outlined in our Operations Manual. We reserve the right to require you to get our prior approval of proposed venues and content for social media and other online mediums. We reserve the right to restrict or completely prohibit your use of social media and other online mediums using our brand or promoting your franchise. (Franchise Agreement, Section 2.5)

#### Electronic Devices and Software

You must lease, purchase or otherwise acquire, from sources of your choice (or from designated or approved supplies, as we determine) and at your expense, a smart phone or tablet that strictly conforms to our specifications. We estimate the cost of such a device to be between \$500 and \$1,000. We will supply your phone number via a SIM card into your device; we will manage the SIM card and its data.

You must have high-speed internet consistent with our minimum standards and specifications.

The computer hardware and software are for communications, scheduling, accounting and record keeping.

You must use our approved suppliers for merchant processing to accept credit and debit card payments from your customers.

You will pay us a Monthly Software Fee, which is \$450 per month as of the issuance date of this disclosure document, for your use of the designated scheduling software and e-commerce site for the sale of tires (which will be tied to your location page on our main site). In addition, you will be required to purchase an online subscription to the version of QuickBooks we specify (or such other accounting software as we may designate). We estimate that monthly subscription costs for accounting software will range from \$30 to \$75.

If we require, you must record and transmit all financial information using our designated systems. We may at our discretion change standards for reporting to provide effective technology for the entire system. We will have full ability to poll your data, electronic devices, computer systems, and related information by means of direct access whether in person or by electronic means. There will be no contractual limitation on our right to access your information or data.

Neither we nor our affiliates will have any obligation to provide any ongoing maintenance, repairs, upgrades or updates related to your computer software and hardware. However, you must upgrade or update your computer hardware and software as we may direct during the term of the franchise agreement. There are no contractual limitations on the frequency and cost of this obligation. We estimate that these updates or upgrades will be approximately \$0 to \$500 per year.

(Franchise Agreement, Section 5.9)

## Item 12 Territory

### Protected Territory

You will be given a specific territory for your Franchise (the “Franchise Territory” or “Territory”). A typical franchise territory for a single franchise vehicle will be an area consisting of approximately 100,000 automobile registrations based on local Department of Motor Vehicle (DMV) vehicle registration records. However, your Franchise Territory will vary in size and dimensions, based on population, growth trends, affluence of nearby population, topography, geography, density and demographics. The exact determination of the Franchise Territory will depend upon your approval and our market analysis, market penetration plans and franchise placement strategies. Among the factors we consider to determine the feasibility of possible franchise territory locations are population demographics and competition in the area. The Franchise Territory is typically designated by postal zip codes, counties, or other geographical or political boundaries.

Because we reserve certain rights with respect to your Territory (as described below in this Item), you will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

However, except as otherwise provided in this Item 12, we and our affiliates will not establish or allow others to service customers located within your Franchise Territory using our Marks and System for the *same type* of franchise that you operate (GoMobile Tires or GoMobile Detail) so long as the Franchise Agreement is in force and you are not in default in any material provision of the Agreement, and except as provided in the paragraphs under the heading “Our Use of the Marks and GoMobile Tires Products and Services” below. To clarify, if your Franchise Agreement is for a GoMobile Tires franchise, then we may establish or license others to establish GoMobile Detail businesses within your Franchise Territory, and vice versa. Therefore, your Territory will be *protected* but not *exclusive*.

### Franchise Office

We do not provide assistance with selecting or approving your office location (which may be a residence). Your office must be located within your Franchise Territory.

### Relocation

You may relocate your Franchise Office within your Franchise Territory with our prior approval, which will not be unreasonably withheld. Any relocation will be at your sole expense. Relocation will be subject to the following conditions.

- A. You are not in breach of this Agreement;
- B. You evidence to our satisfaction your ability to obtain and commence operations at the new location within a time we deem reasonable after you vacate the original location;
- C. You pay all reasonable out-of-pocket expenses we incur because of the relocation;
- D. You sign a general release of claims against us; and
- E. You satisfy our then-current franchise office placement and demographics criteria (if any).

### No Right of First Refusal

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

### Marketing and Providing Services

You may not offer or sell products or services to any customers located outside of your Franchise Territory, except with our prior written permission and the prior written consent of our franchisee or affiliate in whose territory the customer is located.

Notwithstanding the foregoing, for a GoMobile Tires franchise you may sell tires via the e-commerce site that will be tied to your location page on our main site (subject to our standards and specifications, and subject to our right to change our e-commerce policies and to retain the exclusive right to sell tires via e-commerce). If you sell tires via e-commerce in the Territory of another franchisee, then the other franchisee, not you, will have the right to perform the installation service for the customer. We and our affiliates and franchisees may offer and sell tires and other products via e-commerce within your Territory. We anticipate that you will have the right to perform the installation service for the customer. We reserve the right to modify our standards and specifications, and your rights, with respect to e-commerce at our discretion.

Except with our prior written permission, you may not place advertisements using our trade names or service marks in or originating from any area other than the Franchise Territory. This includes, but is not limited to, internet, catalog sales, telemarketing or other direct marketing. You may not advertise in any media whose primary circulation is outside the Franchise Territory, except with our prior written permission and the prior written consent of any of our franchisees whose territory is reached by that media.

If you are contacted by a prospective customer for a job located in the Franchise Territory of another franchisee of ours (or the area of an affiliate-owned operation), then you must promptly pass on the prospect to the other franchisee (or affiliate-owned operation).

You may not solicit or accept orders using distribution methods besides those specifically permitted in the Franchise Agreement and our Operations Manuals. All internet marketing is part of our marketing programs described in the Operations Manual and defined in the Franchise Agreement, and must be coordinated through us and approved by us. You may not acquire an independent internet domain name or website.

### Additional Offices and Vehicles

With our prior written consent, you may establish additional Offices and purchase additional branded vehicles for operation within your Territory. You may not establish an Office outside your Territory or operate your business outside of your Territory (except as permitted in the paragraphs above under the heading "Marketing and Providing Services") without executing a separate Franchise Agreement for that operation. Among other things, we may require as a condition to our approval of your purchase of an additional franchise that you sign a general release in a form we prescribe, following applicable law, to release us from any claims you may have against us.

### Regional or National Accounts

We reserve the exclusive right to service regional and national accounts and to assign them to franchisees at our discretion. What constitutes a "regional account" or "national account" will be at our sole reasonable discretion. We may designate revenue sharing between us and the franchisee(s) that service(s) the account.

### Renewal

Upon renewal of the Franchise, we may modify the Franchise Territory to meet our then-current franchisemarket penetration and demographic standards, or to account for population changes, or based on other factors we, as franchisor, deem reasonable.

### Multiple Franchise Purchases

If you sign the Multiple Franchise Purchase Addendum to purchase multiple Franchises simultaneously, then we will designate a separate Franchise Territory for each franchise to be developed. We will also designate a

schedule of opening deadlines for your franchises (“Development Schedule”). If you do not comply with the Development Schedule, we will have the right to terminate the Multiple Franchise Purchase Addenda and any or all of your Franchise Agreements representing Franchises that have not yet opened for business.

#### Our Use of the Marks and GoMobile Products and Services

We retain all rights not specifically granted to you in the Franchise Agreement. This includes our right to use or license the use of our Marks to others anywhere except as otherwise provided in this Item 12. Neither we nor our affiliates are restricted from participating in other distribution methods under the Marks or under marks different from the ones you will use under the Franchise Agreement. We will have no obligation to compensate you for any such sales. For example, we may offer and sell GoMobile Tires and GoMobile

Detail products online, via wholesale channels, or at retail establishments at any location, whether or not within the Franchise Territory or within close proximity to a GoMobile Tires or GoMobile Detail franchise.

We have not established and do not presently intend to establish other franchises or company-owned outlets selling similar products or services under a different trademark.

We may purchase or be purchased by, or merge or combine with, competing businesses, wherever located.

#### No Minimum Sales Requirements

Your rights to the Territory do not depend on you achieving a specific level of sales, market penetration or other condition. However, if you do not comply with the Franchise Agreement and do not cure defaults as required therein, then we may cancel or reduce your Territory or terminate the Agreement.

**Item 13  
Trademarks**

Registrations and/or Applications for Our Marks

We have registered our principal GoMobile Tires Mark(s) on the Principal Register of the U.S. Patent and Trademark Office (“USPTO”) as follows:

<b>Mark Description</b>	<b>International Classification(s)</b>	<b>Registration Date</b>	<b>Registration Number</b>
GoMobile Tires (standard characters)	Class 37: Mobile tire repair, replacement, and installation services; Mobile wheel replacement and installation services	June 15, 2021	6386967

We have applied to register our principal GoMobile Detail Mark on the Principal Register of the USPTO as follows:

<b>Mark Description</b>	<b>International Classification(s)</b>	<b>Application Date</b>	<b>Serial Number</b>
GoMobile Detail (standard characters)	Class 37: Automobile detailing; Mobile automobile detailing services; Mobile automobile detailing services provided at the location of the customer	July 20, 2021	90838265

**We do not have a federal registration for the above application for the GoMobile Detail Mark. Therefore, our trademark does not have many legal benefits and rights as a federally-registered mark. If your right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.**

We have filed (or anticipate filing when due) all required affidavits in respect to registrations of our principal marks with the USPTO. We have filed (or anticipate filing when due) all required registration renewals in respect to such registrations.

Our Common Law Rights to the Marks

We and our affiliate company also claim common law rights to the “GoMobile Tires” and “GoMobile Detail” names and all related marks, logos, designs, and slogans.

Your Use of the Marks

We will allow you to use these and all other trade names, trademarks, service marks, and logos we now own or may in the future develop for our franchise system. We refer to all of these commercial symbols as the “Marks.” The Marks are our exclusive property.

You must follow our rules when you use the Marks. You may not use the Marks in any manner we have not authorized in writing. You may not use or give others permission to use the Marks, or any colorable imitation of them, combined with any other words or phrases. You cannot use our Service Marks as part of the name of your business entity or with modifying words, designs or symbols except as we authorize in writing. You may not use

our Service Marks in connection with the sale of any unauthorized product or service.

All goodwill associated with the Marks, including any goodwill that might be deemed to have arisen through your activities, will accrue directly and exclusively to our benefit, except as otherwise provided by applicable law. We (or our parent or an affiliate) will own all trademark improvements you develop (if applicable). The immediately preceding sentence does not affect provisions in the Franchise Agreement and our Operations Manual prohibiting you from altering the Marks and requiring you to use the Marks only in strict compliance with our standards and specifications.

#### Modifying the Marks

We may change or discontinue any part of the Marks at any time in our sole discretion. You will modify or discontinue use of any franchise names or Marks, or will use one or more substitute names or marks, if we so direct in writing at any time. Our sole obligation in this event will be to reimburse you for your tangible costs in complying with our direction (i.e., cost of changing signs, stationery, etc.). You will bear all costs and expenses that may be reasonably necessary because of these changes or modifications. Under no circumstances will we be liable to you for any damages, costs, losses, rights, or detriments related to any modification, discontinuance, or substitution. All obligations or requirements imposed upon you relating to the Marks will apply with equal force to any modified or substituted names or marks.

#### Agreements Impacting the Marks

There are no agreements currently in effect or contemplated which would significantly limit our right to use or license the use of the marks listed in this Item 13 in a manner material to the franchise.

#### Legal Actions Involving the Marks

There are no currently effective material determinations of the USPTO, Trademark Trial and Appeal Board, the trademark administrator of any state or any court, or any opposition or cancellation proceeding, or any pending litigation involving the Marks.

You will immediately notify us of any infringement of, or challenge to, your use of the Marks or any marks identical to or confusingly similar to the Marks, including any claims of infringement or unfair competition. While we will make reasonable efforts to protect your rights to use the Marks, we will have sole discretion to take or not to take action, as we deem appropriate. We will not be required to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving the Marks or if the proceeding is resolved unfavorably to you. If we undertake the defense or prosecution of any litigation or administrative action involving you or any litigation or administrative action involving the Marks, you agree to execute any and all documents and to do all acts and things that in the opinion of our counsel are necessary or advisable to carry out the defense or prosecution. This may be done either in our name or in your name, as we will elect.

We know of no superior rights or infringing uses that could materially affect your use of the Marks.

## **Item 14**

### **Patents, Copyrights, and Proprietary Information**

We intend to affix a statutory notice of copyright to our Operations Manual, to certain of our advertising materials, training materials, websites, proprietary software, and to all modifications and additions to them. You are granted the right and are required to use the copyrighted items only with your operation of the franchise during the term of your Franchise Agreement. You have no other rights to the copyrighted material.

The Operations Manual is described in Item 11. Although we have not filed applications for copyright registration, all copyrighted materials are our property. Item 11 describes limits on use of the copyrighted materials by you and your employees. You are only permitted to use our proprietary processes and systems in accordance with the Franchise Agreement and only as long as you are a franchisee. Your failure to comply with the confidentiality requirements of the Franchise Agreement may result in your payment of liquidated damages to us as specified in the Franchise Agreement. You must contact us immediately if you learn of any unauthorized use of our proprietary information. You must also agree to not contest our rights to, and interest in, our copyrights and other proprietary information.

We do not know of any prior rights or infringing uses that could materially affect your use of our copyrighted materials. You must notify us immediately after receiving notice of any claim, demand or cause of action pertaining to the copyrighted materials or on learning that any third party uses the copyrighted materials without authorization. After receipt of timely notice of an action, claim or demand against you relating to the copyrighted materials, we have the right, but not the obligation, to defend or settle any such action. The Franchise Agreement does not obligate us to take affirmative action when notified of infringement. We have the right to contest or bring action against any third party regarding the third party's unauthorized use of any of the copyrighted materials. We have the right to control all actions but are not obligated to take any action. You may not make any demand against any alleged infringer, prosecute any claim or settle or compromise any claim by a third party without our prior written consent. In any defense or prosecution of any litigation relating to the copyrighted materials undertaken by us, you must cooperate with us, execute any and all documents, and take all actions as may be desirable or necessary in the opinion of our counsel, to carry out such defense or prosecution.

We may change or discontinue any part of the copyrighted materials at any time at our sole discretion. You will modify or discontinue use of any copyrighted materials, or will use one or more substitute copyrighted materials, if we so direct in writing at any time. You will bear all costs and expenses that may be reasonably necessary because of these changes or modifications. Under no circumstances will we be liable to you for any damages, costs, losses, rights, or detriments related to any modification, discontinuance, or substitution.

All obligations or requirements imposed upon you relating to the copyrighted materials will apply with equal force to any modified or substituted copyrighted materials.

We have no patents material to your franchise.

We claim proprietary rights to certain confidential information and trade secrets related to our business processes and supplier relationships that you will learn during training. We consider such processes and modifications to be our trade secrets.

You must use reasonable best efforts to continuously improve the products, processes and services used in the System and to develop new products, processes and services for use as part of the System. All the improvements, inventions and developments you make, develop or create for use in the System will be our property (or that of our parent or an affiliate) and we alone (or our parent or an affiliate) will hold any patent, trademark registration or other form of protection for those improvements, inventions, developments, processes, methods and practices.

## **Item 15**

### **Obligation to Participate in the Actual Operation of the Franchise Business**

You will not be required to participate directly in the day-to-day operation of the Franchise, but it must be under your general supervision as it is ultimately your responsibility to comply with the Franchise Agreement. You may designate one or more employees to assume responsibility for day-to-day operations. Any managers and technicians you employ to help you to operate the franchise must complete the mandatory training program described in Item 11 (which is to be conducted by us or by you in accordance with our specifications, at our discretion). The manager is not required to have any equity interest in your franchise business entity.

All of your owners must sign the Franchise Agreement directly or sign a Confidentiality and Non- Competition Agreement in the form attached as Exhibit J. Your managers and technicians must sign confidentiality and non-competition agreements containing substantially the same protections as provided in relevant clauses in the Franchise Agreement. You are responsible for ensuring the adequacy and enforceability under local law of any sample form we provide in this regard.

All of your owners must sign the Franchise Agreement directly or sign a Personal Guaranty in the form attached as Exhibit I. We may require the owners' spouses to sign a Spousal Consent (see Exhibit I).

## **Item 16**

### **Restrictions on What the Franchisee May Sell**

We require that you use, offer and sell only those products and services that we approve in writing. You must offer all products and services that we designate as required by our franchisees. We reserve the right, without limitation, to modify, delete and add to the authorized products and services, and you must adopt such changes at your expense.

You may not offer or sell products or services to any customers located outside of your Franchise Territory, except with our prior written permission and the prior written consent of our franchisee or affiliate in whose territory the customer is located.

Notwithstanding the foregoing, for a GoMobile Tires franchise you may sell tires via the e-commerce site that will be tied to your location page on our main site (subject to our standards and specifications, and subject to our right to change our e-commerce policies and to retain the exclusive right to sell tires via e-commerce). If you sell tires via e-commerce in the Territory of another franchisee, then the other franchisee, not you, will have the right to perform the installation service for the customer.

All online marketing is part of our marketing programs described in the Operations Manual and defined in the Franchise Agreement, and must be coordinated through us and approved by us.

**Item 17**  
**Renewal, Termination, Transfer, and Dispute Resolution**

**THE FRANCHISE RELATIONSHIP**

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

<u>Provision</u>	<u>Section in Franchise Agreement ("FA") or Other Agreement (e.g. Multiple Franchise Purchase Addendum ("MFPA"))</u>	<u>Summary</u>
a. Length of the franchise term	FA Section 1.1	10 years
b. Renewal or extension of term	FA Section 6.1	If you are in good standing, you may renew for periods of 10 years under the terms of our then-current Franchise Agreement forms that may have materially different terms and conditions than your original contract.
c. Requirements for franchisee to renew or extend	FA Section 6.1	"Renewal" means that you, upon the expiration of the original term of the Franchise Agreement, have the right to enter into a new agreement according to our then-current Franchise Agreement forms that may have materially different terms and conditions than your original contract. You must give notice at least three and not more than six months before expiration of the initial term; faithfully perform under the initial agreement; refurbish, remodel, and replace the Franchise Office (if commercial location), fixtures, equipment, vehicle(s), and signage to conform to the then-current Operations Manual and System standards; sign general release (subject to state law); sign a new agreement that may contain materially different terms and conditions from the original contract; pay a renewal fee; and go through retraining (if we require it).
d. Termination by franchisee	None	You may terminate the Franchise Agreement if permitted by applicable law.
e. Termination by franchisor without cause	None	
f. Termination by franchisor with cause	FA Section 6.3; MFPA Section 7	We can terminate only if you default. Any material violation or breach of the Franchise Agreement is deemed a material breach of any other franchise or other agreement between you and us. The non-breaching party then will be entitled to enforce the penalties of or to terminate the Franchise Agreement and any relevant addenda and any or all of such other Franchise Agreements.
g. "Cause" defined – curable defaults	FA Section 6.3.1	You have 30 days to cure any default not listed in Section 6.3.

h. "Cause" defined – non-curable defaults	FA Section 6.3.2; MFPA Section 7	<p>Bankruptcy and insolvency, abandonment, repeated default, misrepresentations, levy of execution, criminal conviction, noncompliance with laws, non-payment of fees, repeated under reporting of sales, disclosure of confidential information, violation of non-competition covenants, and other defaults listed in Section 6.3.2.</p> <p>Multiple Franchise Purchase Addendum: If you do not comply with the Development Schedule, we will have the right to terminate the MFPA and any or all of your Franchise Agreements representing Franchises that have not yet opened for business. We will not have the right to terminate your Franchise Agreements for Franchises that have already opened for business.</p> <p>Cross-Default: We will have the right to terminate your other unit Franchise Agreements and Multiple Franchise Purchase Agreements (and therefore, your Development Schedule and development rights) if we have the right to terminate any of your single unit Franchise Agreements.</p>
i. Franchisee's obligations on termination or nonrenewal.	FA Section 6.5 & 6.7	De-identification, return of manuals, release of phone numbers and listings, de- identification of your franchise equipment and Franchise Office, payment of sums owed, confidentiality, and non- competition.
j. Assignment of contract by franchisor	FA Section 7.1	There are no restrictions on our right to transfer.
k. "Transfer" by franchisee – defined	FA Section 7.1	Restrictions apply if you sell, transfer, assign, encumber, give, lease, or sublease (collectively called "transfer") the whole or any part of the Franchise Agreement, substantial assets of the franchise, or ownership or control of you.
l. Franchisor's approval of transfer by franchisee	FA Section 7.1	We have the right to approve all transfers.
m. Conditions for franchisor approval of transfer	FA Section 7.1	The transferee must qualify as a franchisee, assume your obligations, and successfully pay for and complete the mandatory training. You may not be in default, must sign a general release (subject to state law), and you or the transferee must pay the Transfer Fee. You or the transferee must refurbish, remodel, and replace the Franchise Office (if commercial location), fixtures, equipment, vehicle(s), and signage to conform to the then-current Operations Manual and System standards.
n. Franchisor's right of first refusal to acquire franchisee's business	FA Section 7.5	If you receive an offer, we will have the right to purchase on the same terms and conditions as offered to you, 30-day notice and right to decide.

o. Franchisor's option to purchase franchisee's business	FA Sections 6.5, 7.3 and 7.4	<p>You will give us the right of first purchase before soliciting offers from a third party if you choose to sell your franchise business. We will have the right of first purchase to purchase some or all of your franchise business assets upon expiration or termination of the Franchise Agreement.</p> <p>We will have the right of first purchase to purchase your franchise if a suitable transferee purchaser is not found within 180 days from the date of your death, disability or incapacity.</p>
p. Death or Disability of franchisee	FA Section 7.3	<p>Within 180 days, your heirs, beneficiaries, devisees or legal representatives may apply to continue to operate the franchise, or transfer Franchise interest.</p>
q. Non-Competition Covenants During the Term of the Franchise	FA Sections 5.7.1, 5.8 & 5.9	<p>Subject to state law, you shall not disclose confidential information, divert business or customers, or compete. The in-term non-competition covenant applies to any vehicle tire business (mobile or non-mobile) that replaces customers' tires and/or wheels, or any vehicle detailing business (mobile or non-mobile), or any business that offers products or services that are essentially the same as, or substantially similar to, the products and services that are part of the System (defined broadly in this instance to include the Systems for both GoMobile Tires and GoMobile Detail regardless of the type of franchise you operate).</p>
r. Non-Competition Covenants After the Franchise is Terminated or Expires	FA Sections 5.7.2, 5.9 & 6.7	<p>Subject to state law, you will not divert business or customers for a period of two years after expiration or termination of the Franchise Agreement.</p> <p>Subject to state law, no competition is allowed for two years within the Territory, within a 50-mile radius of the Territory, and within a 50-mile radius of any location or territory where we operate or have granted the franchise to operate a GoMobile Tires or GoMobile Detail business.</p> <p>The post-term non-competition covenant applies to any vehicle tire business (mobile or non-mobile) that replaces customers' tires and/or wheels, or any vehicle detailing business (mobile or non-mobile), or any business that offers products or services that are essentially the same as, or substantially similar to, the products and services that are part of the System (defined broadly in this instance to include the Systems for both GoMobile Tires and GoMobile Detail regardless of the type of franchise you operate).</p>
s. Modification of the Agreement	FA Sections 5.5 and 9.7	<p>We may modify the Operations Manual. Modifications to the language of the Franchise Agreement require the signed written agreement of the parties.</p>
t. Integration/Merger Clause	FA Sections 5.1, 5.5, & 9.7	<p>Only the terms of the Franchise Agreement and Operations Manual are binding subject to state law. Any representations or promises outside of the Franchise Disclosure Document and other agreements may not be enforceable. Nothing in the</p>

		Franchise Agreement is intended to disclaim the representations we made in the franchise disclosure document that we delivered to you
u. Dispute Resolution by Arbitration or Mediation	FA Section 9.8	Subject to state law, before taking any other legal action, the parties agree to mediate disputes in Washington County, Oregon. The mediation clause does not apply to disputes based on your (1) improper use of the Marks or other intellectual property; (2) violation of restrictive covenants in the Franchise Agreement (e.g. confidentiality, non-disclosure, and non-competition); or (3) monetary and payment obligations.
v. Choice of Forum	FA Section 9.8	Subject to state law, mediation and litigation must be in Washington County, Oregon. Some states do not allow franchisees to give up their right to bring or defend lawsuits in the courts of their state. See the State Law Addendum to the Franchise Agreement and this disclosure document for state-specific addenda to this Item.
w. Choice of Law	FA Section 9.8	Oregon law applies except as otherwise provided in the Franchise Agreement and subject to state law. See the State Law Addendum to the Franchise Agreement and this disclosure document for state-specific addenda to this Item.

See State and Provincial Law Addendum for disclosures related to specific states and provinces.

**Item 18**  
**Public Figures**

No public figure is involved in our franchise program.

## 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 only be given if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing 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 Derek Naidoo, Managing Member, GoMo Tires LLC, 163 SW Freeman Avenue, Ste D, Hillsboro, Oregon 97123, (503) 501-9106, the Federal Trade Commission, and the appropriate state regulatory agencies.

**Item 20**  
**Outlets and Franchisee Information**

<b>ITEM 20: OUTLETS AND FRANCHISEE INFORMATION</b>				
<b>Systemwide Outlet Summary</b> <b>For years 2019 to 2022</b>				
<b>Column 1</b> <b>Outlet Type</b>	<b>Column 2</b> <b>Year</b>	<b>Column 3</b> <b>Outlets at the</b> <b>Start of the Year</b>	<b>Column 4</b> <b>Outlets at the End</b> <b>of the Year</b>	<b>Column 5</b> <b>Net Change</b>
Franchised*	2018	0	0	0
	2019	0	1	+1
	2020	1	5	+6
	2021	5	9	+4
	2022	9	13	+4
Company or Affiliate Owned**	2018	0	0	0
	2019	0	3	+3
	2020	3	3	0
	2021	3	2	-1
	2022	2	2	0
Total Outlets	2018	0	0	0
	2019	0	4	+4
	2020	4	8	+4
	2021	8	11	+3
	2022	11	15	+4

\*Does not include franchisees of our affiliate, GoMobileTires USA, LLC. As of August 31, 2020, our affiliate had seven franchisees (one each in CA, FL, KS, NV, PA and two in TX). See Exhibit M.

\*\* Owned and operated by us, our affiliates, or entities that are owned or controlled by individuals listed in Item 2 of this disclosure document.

**Table No. 2**

<b><u>Transfers of Outlets from Franchisees to New Owners</u></b> <b><u>(Other than the Franchisor) for years 2018 to 2022</u></b>		
<b><u>Column 1</u></b> <b>State</b>	<b><u>Column 2</u></b> <b>Year</b>	<b><u>Column 3</u></b> <b>Number of Transfers</b>
All States	2018	
	2019	0
	2020	0
	2021	0
	2022	1
Total	2018	0
	2019	0
	2020	0
	2021	0
	2022	1

**Table No. 3**

Status of Franchise Outlets For years 2018 to 2022								
Column 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at the Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Alabama	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Arizona	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
California	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Florida	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Indiana	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Kansas	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1

	2022	1	0	0	0	0	0	1
Nevada	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
New Jersey	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Pennsylvania	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	1	0
	2022	0	2	0	0	0	0	2
South Carolina	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	1	0
	2022	0	0	0	0	0	0	0
Tennessee	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Texas	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	2	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Utah	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Virginia	2018	0	0	0	0	0	0	0

	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
<b>Totals</b>	<b>2018</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2019</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
	<b>2020</b>	<b>1</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8</b>
	<b>2021</b>	<b>8</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>10</b>
	<b>2022</b>	<b>10</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15</b>

Table No. 4

<u>Status of Company-Owned Outlets</u> <u>For years 2018 to 2021</u>							
<u>Col. 1</u> State	<u>Col. 2</u> Year	<u>Col. 3</u> Outlets at the Start of the Year	<u>Col. 4</u> Outlets Opened	<u>Col. 5</u> Outlets Reacquired from Franchisees	<u>Col. 6</u> Outlets Closed	<u>Col. 7</u> Outlets Sold to Franchisees	<u>Col. 8</u> Outlets at End of Year
California	2018	0	0	0	0	0	0
	2019	0	1	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
Oregon	2018	0	0	0	0	0	0
	2019	0	1	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
Washington	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	1	0	0	0	1
	2021	1	0	0	0	0	1
<b>Totals</b>	<b>2018</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2019</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>
	<b>2020</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>
	<b>2021</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>

**Table No. 5**

<u>Projected Openings*</u> <u>As of August 31, 2021</u>			
<u>Column 1</u> State	<u>Column 2</u> Franchise Agreements Signed But Outlet Not Opened	<u>Column 3</u> Projected New Franchised Outlets in the Next Fiscal Year	<u>Column 4</u> Projected New Company- Owned Outlets in the Current Fiscal Year
California	0	2	0
Florida	0	2	0
Indiana	0	1	0
Nevada	0	1	0
South Carolina	0	1	0
Tennessee	0	1	0
<b>Total</b>	<b>0</b>	<b>8</b>	<b>0</b>

\* These are projections of the number of new franchises we expect will open in the next fiscal year. It is, however, only a projection. The actual number of new franchisees in any state that open in the next fiscal year could vary from the number described above.

**Exhibit M includes the following:**

- \* A list of our current franchisee outlets and the addresses and telephone numbers of all of their operations as of August 31, 2021.
- \* A list of GoMobileTires USA, LLC's current franchisee outlets and the addresses and telephone numbers of all of their operations as of August 31, 2021.
- \* A list of our current company-owned and affiliate-owned outlets and the addresses and telephone numbers of all of their operations as of August 31, 2021.
- \* A list of the name, city and state, and the current telephone number (or if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the date of this disclosure document.

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

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

No trademark-specific franchisee organizations associated with the franchise system have been created, sponsored, or endorsed by us.

No independent franchisee organizations have asked to be included in this disclosure document.

**Item 21**  
**Financial Statements**

The franchisor's audited financial statement as of August 31, 2022 and 2021 and 2020 are attached as Exhibit A

Fiscal Year End - June 30, 2022

**Item 22**  
**Contracts**

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

<b>Agreement Name</b>	<b>Exhibit</b>
Standard Franchise Agreement and Attachments	B
State Agency Information	C
Conditional Assignment	D
Cancellation of Assumed Business Name	E
Authorization for Electronic Funds Transfer	F
Disclosure Acknowledgments	G
Form of General Release	H
Personal Guaranty	I
Confidentiality and Non-Competition Agreement	J
SBA Franchise Agreement Addendum	K
Operations Manual Table of Contents	L
List of Franchisees	M
State Law Addendum to FDD and Franchise Agreement	N
State Effective Dates	O
Receipts	P

**Item 23**  
**Receipts**

Attached to this disclosure document are two Receipt pages. They are duplicates that evidence your receipt of this disclosure document – the first is to be retained by you, the other by us (Exhibit P).

**EXHIBIT A**  
**FINANCIAL STATEMENTS AS OF AUGUST 31, 2022 and**  
**2021 and 2020**

**GOMO TIRES LLC**

**FINANCIAL STATEMENTS**  
**WITH INDEPENDENT AUDITOR'S REPORT**  
**AUGUST 31, 2022 AND 2021**



# GOMO TIRES LLC

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### ***Independent Auditor's Report***

To the Members  
GoMo Tires LLC  
Hillsboro, Oregon

#### ***Opinion***

We have audited the accompanying financial statements of GoMo Tires LLC, which comprise the balance sheets as of August 31, 2022 and 2021, and the related statements of operations, members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GoMo Tires LLC as of August 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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.

***Restrictions on Use***

The use of this report is restricted to inclusion within the Company's Franchise Disclosure Document (FDD) and is not intended to be, and should not be, used or relied upon by anyone for any other use.

Kezas  $\frac{3}{4}$  Dunlavy

St. George, Utah  
December 21, 2022

**GOMO TIRES LLC**  
**BALANCE SHEETS**  
As of August 31, 2022 and 2021

	2022	2021
Assets		
Current assets		
Cash	\$ 9,943	\$ 3,556
Accounts receivable	282,846	149,500
Deferred contract costs	35,445	-
Total current assets	328,234	153,056
Total assets	\$ 328,234	\$ 153,056
Liabilities and Member's Equity		
Current liabilities		
Deferred revenue	\$ 284,646	\$ 149,500
Total current liabilities	284,646	149,500
Total liabilities	284,646	149,500
Member's equity	43,588	3,556
Total liabilities and member's equity	\$ 328,234	\$ 153,056

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

**GOMO TIRES LLC**  
**STATEMENTS OF OPERATIONS AND MEMBER'S EQUITY**  
For the years ended August 31, 2022 and 2021

	2022	2021
Operating revenue		
Initial franchise fee	\$ 100,000	\$ 50,000
Equipment sales	217,700	120,000
Total operating revenue	317,700	170,000
Cost of goods sold	(245,497)	(162,959)
Gross profit	72,203	7,041
 Operating expenses		
General and administrative	8,271	135
Professional fees	1,400	-
Advertising and marketing	22,500	13,350
Total operating expenses	32,171	13,485
Net income (loss)	\$ 40,032	\$ (6,444)
 Beginning member's equity	\$ 3,556	\$ -
Member contributions	-	10,000
Net income (loss)	40,032	(6,444)
Ending member's equity	\$ 43,588	\$ 3,556

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

**GOMO TIRES LLC**  
**STATEMENTS OF CASH FLOWS**  
For the years ended August 31, 2022 and 2021

	2022	2021
Cash flows from operating activities		
Net income (loss)	\$ 40,032	\$ (6,444)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Change in operating assets and liabilities:		
Accounts receivable	(133,346)	(149,500)
Deferred contract costs	(35,445)	-
Deferred revenue	135,146	149,500
Cash flows provided (used) by operating activities	6,387	(6,444)
Cash flows from investing activities	-	-
Cash flows from financing activities		
Member contributions	-	10,000
Cash flows provided by financing activities	-	10,000
Net change in cash and cash equivalents	6,387	3,556
Cash and cash equivalents at beginning of period	3,556	-
Cash and cash equivalents at end of period	\$ 9,943	\$ 3,556
Supplemental disclosures of cash flow:		
Cash paid for interest and taxes	\$ -	\$ -

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

**GOMO TIRES LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2022 AND 2021**

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

*(a) Nature of Business*

GoMo Tires LLC (the "Company") was formed on July 23, 2020 as a limited liability company in the state of Florida as for the principal purpose of conducting franchise sales, marketing, and management under the brand name GoMo Tires. The Company grants qualified franchisees the right to own and operate a mobile vehicle tire business offering the replacement of customers' tires and/or wheels. Although the Company was formed in 2020, operations did not commence until the year ended August 31, 2021.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending August 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 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. As of August 31, 2022 and 2021, the Company had cash and cash equivalents of \$9,943 and \$3,556.

*(e) Accounts Receivable*

Accounts receivable are recorded for amounts due based on the terms of executed franchise agreements for franchise sales, royalty fees, and construction revenues. Accounts receivable are recorded at the invoiced amount and do not bear interest although a finance charge may be applied to such receivables that are past the due date. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable. The Company determines the allowance based on historical collections, customers' current creditworthiness, age of the receivable balance both individually and in the aggregate, and general economic conditions that may affect the customer's ability to pay. All account balances are reviewed on an individual basis. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. When recoveries of receivables previously charged off are made, they are recognized as income when payment is received. As of August 31, 2022 and 2021, the Company had net receivables of \$282,846 and \$149,500, respectively. As of August 31, 2022 and 2021, the Company had no allowance for doubtful accounts.

**GOMO TIRES LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2022 AND 2021**

*(f) Revenue Recognition*

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

On January 1, 2021, the Company adopted ASC 606, *Revenue from Contracts with Customers* using the modified retrospective method. This method allows the standard to be applied retrospectively through a cumulative catch-up adjustment recognized upon adoption. As such, comparative information in the Company's financial statements has not been restated and continues to be reported under the accounting standards in effect for those periods. Management determined that the effect of adopting ASC 606 did not have a material effect on the Company's financial statements.

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 transaction price, which includes an initial franchise fee, ongoing royalties, marketing fees, equipment package fees, and the Company's performance obligations.

Upon evaluation of the five-step process, the Company has determined that royalties, which are based on a percentage of gross revenue, are to be recognized in the same period as the underlying sales. Under ASC 606, the Company has determined that all obligations relative to the sale of equipment packages are satisfied upon delivery of the equipment, accordingly the associated equipment package fees are recognized at that time.

In allocating the transaction price and recognizing the revenue associated with initial franchise fees, the Company has elected to adopt the practical expedient for private company franchisors outlined in ASC 952-606, *Franchisors—Revenue from Contracts with Customers*. The practical expedient allows franchisors to account for pre-opening services as a single distinct performance obligation. These pre-opening services include the following:

- 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

The Company has determined that the fair value of pre-opening services exceeds the initial fees received; as such, the initial franchise fees are allocated to the pre-opening services, which are recognized as revenue upon commencement of operations.

*(g) Financial Instruments*

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, and accounts payable, the carrying amounts approximate fair value due to their short maturities. The amounts shown for notes payable also approximate fair value because current interest rates and terms offered to the Company for similar debt are substantially the same.

**GOMO TIRES LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2022 AND 2021**

*(h) Income Taxes*

The Company is structured as a limited liability company under the laws of the state of Florida. Accordingly, the income or loss of the Company will be included in the income tax returns of the member. Therefore, there is no provision for federal and state income taxes.

The Company follows the guidance under Accounting Standards Codification (“ASC”) Topic 740, Accounting for Uncertainty in Income Taxes. ASC Topic 740 prescribes a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in the tax return. If taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the member rather than the Company. Accordingly, there would be no effect on the Company's financial statements.

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 31, 2022, the 2021 and 2020 tax years were subject to examination.

*(i) 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.

(2) Franchise Agreements

The Company's franchise agreements generally provide for a payment of initial franchise fees as well as continuing royalty fees to the Company based on a percentage of sales. Under the franchise agreement, franchisees are granted the right to operate a location using the GoMo Tires system for a period of ten years. Under the Company's revenue recognition policy, franchise fees and any corresponding commissions and build-out costs are recognized when the franchisee begins operations. For any franchisees that have not met the criteria for revenue recognition as of year-end, the Company defers both the revenues and commissions. All locations that are expected to begin operations within the following year are categorized as current, while all others are classified as non-current.

As of August 31, 2022 and 2021, the Company has estimated the current portion of deferred contract costs to be \$35,445 and \$0, respectively. As of August 31, 2022 and 2021, the Company has estimated the current portion of deferred revenue to be \$284,646 and \$149,500, respectively.

(3) Related Party Transactions

The Company utilizes affiliates through common ownership to purchase and customize vehicles for sale to franchisees as part of the initial equipment package. During the years ended August 31, 2022 and 2021, the total amount paid to these affiliates was \$303,442 and \$162,959, respectively.

(4) 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.

**GOMO TIRES LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2022 AND 2021**

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

On March 11, 2020, the World Health Organization classified the outbreak of a new strain of the coronavirus (“COVID-19”) as a pandemic. The COVID-19 outbreak in the United States began in mid-March 2020 and has continued through 2022 and subsequent to the fiscal year end. It is continuing to disrupt supply chains and affect production and sales across a range of industries. Management believes the pandemic has had a material effect on the Company’s operations, reducing revenue from both new and existing franchisees. The extent of the impact of COVID-19 on the Company’s future operational and financial performance continues to evolve and will depend on certain ongoing developments, including the duration and spread of the outbreak, impact on the Company’s customers and vendors all of which are uncertain and cannot be reasonably estimated. At this point, the full extent to which COVID-19 may impact the Company’s future financial condition or results of operations is uncertain.

(5) Subsequent Events

Management has reviewed and evaluated subsequent events through December 21, 2022, the date on which the financial statements were issued.

**EXHIBIT B  
GOMOBILE TIRES / GOMOBILE DETAIL  
FRANCHISE DISCLOSURE DOCUMENT**

FRANCHISE AGREEMENT

**GoMo Tires LLC**

**163 SW Freeman Avenue, Ste D  
Hillsboro, Oregon 97123**

**(503) 501-9106**

## FRANCHISE AGREEMENT

This Franchise Agreement (this "Agreement") has been entered into effective \_\_\_\_\_ (the "Effective Date"). It is by and between GoMo Tires LLC, a Florida limited liability company, ("Franchisor" and "we/us") and \_\_\_\_\_ (jointly and severally "Franchisee" and "you").

### RECITALS

A. For purposes of this Agreement "you" may include an individual, corporation, partnership, limited liability company or other legal entity. "You" includes any corporation, partnership, limited liability company, individual, combination of individuals, or other legal entity that owns a majority interest of you, or in which you own a majority interest. The term "you" will include all persons who succeed to your interest by transfer or by operation of law.

B. We have certain rights to, have registered in various jurisdictions, and intend to continue to develop names, trademarks, service marks, logos, commercial symbols, and styles. These include, but are not limited to, GOMOBILE TIRES, GOMOBILE DETAIL, and related logos (the "**Marks**"). We own valuable goodwill and have valuable expertise, Confidential Information (defined below), methods, procedures, techniques, uniform standards, operations manuals, inventory control guidelines, systems, layouts, merchandise, and materials (the "**System**"). These are connected with the establishment and operation of mobile vehicle tire businesses that replace customers' tires and/or wheels under the GoMobile Tires Marks and mobile vehicle detailing businesses under the GoMobile Detail Marks. In this Agreement, the terms "Marks" and "System" shall include only those that relate to the type of franchise granted to you by this Agreement (i.e., GoMobile Tires or GoMobile Detail).

C. As a franchisee, you are in an independent contractor relationship with us. You independently own and operate your Franchise. While we establish standards and recommendations for desired outcomes to protect our systems and brand, as an independent contractor franchisee, you generally determine the means to accomplish such outcomes. You are responsible for the day-to-day operation of your Franchise.

D. You desire us to train you and to authorize you to operate a high-caliber GoMobile Tires or GoMobile Detail franchise (as provided in Section 1.1 and Exhibit 1) and to use our System and Marks that correspond with the type of franchise you are granted. We are willing to grant you such a franchise on the terms and conditions set forth in this Agreement.

### AGREEMENT

THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, the parties agree as follows:

#### 1. GRANT OF FRANCHISE AND FRANCHISE TERRITORY

1.1 **Grant of Franchise and Franchise Territory.** We grant to you, and you accept from us, the right to use the Marks, the System, and merchandise bearing the Marks, for ten (10) years from the date of this Agreement (the "**Franchise**"). This grant is solely for the operation by you of a franchise of the type indicated in Exhibit 1, at an office location (the "**Franchise Office**") of your choosing (which may be a residence) in a designated territory (the

**“Franchise Territory”**). The Franchise Office and Franchise Territory will be designated in Exhibit 1.

1.1.1 **Franchise Territory.** So long as this Agreement is in force, and you are not in default in any material provision, and except as otherwise provided in this Agreement, we will not establish or license to or allow others to establish any business of the same type franchised to you under this Agreement (i.e. GoMobile Tires or GoMobile Detail) using the Marks and the System (associated with the type of franchise you operate pursuant to this Agreement) within the Franchise Territory without your prior written consent. To clarify, if this Agreement is for a GoMobile Tires franchise, then we may establish or license others to establish GoMobile Detail businesses within your Franchise Territory, and vice versa. We may also purchase or be purchased by, or merge or combine with, competing businesses, wherever located, including within your Franchise Territory.

1.1.2 **Marketing Within Territory.** You may not offer or sell products or services to any customers located outside of your Franchise Territory, except with our prior written permission and the prior written consent of our franchisee or affiliate in whose territory the customer is located.

Notwithstanding the foregoing, you may sell tires via the e-commerce site that will be tied to your location page on our main site (subject to our standards and specifications, and subject to our right to change our e-commerce policies and to retain the exclusive right to sell tires via e-commerce). If you sell tires via e-commerce in the Territory of another franchisee, then the other franchisee, not you, will have the right to perform the installation service for the customer. We and our affiliates and franchisees may offer and sell tires and other products via e-commerce within your Territory. We anticipate that you will have the right to perform the installation service for the customer. We reserve the right to modify our standards and specifications, and your rights, with respect to e-commerce at our discretion.

Except with our prior written permission, you may not place advertisements using our trade names or service marks in or originating from any area other than the Franchise Territory. This includes, but is not limited to, internet, catalog sales, telemarketing or other direct marketing. You may not advertise in any media whose primary circulation is outside the Franchise Territory, except with our prior written permission and the prior written consent of any of our franchisees whose territory is reached by that media.

If you are contacted by a prospective customer for a job located in the Franchise Territory of another franchisee of ours (or the area of an affiliate-owned operation), then you must promptly pass on the prospect to the other franchisee (or affiliate-owned operation).

You may not solicit or accept orders using distribution methods besides those specifically permitted in the Franchise Agreement and our Operations Manuals. All internet marketing is part of our marketing programs described in the Operations Manual and defined in the Franchise Agreement, and must be coordinated through us and approved by us. You may not acquire an independent internet domain name or website.

1.1.3 **Additional Offices and Vehicles.** With our prior written consent, you may establish additional Offices and purchase additional branded vehicles for operation within your Territory. You shall not establish an Office outside your Territory or operate your business outside of your Territory (except as permitted in Section 1.1.2 above) without executing a separate Franchise Agreement for that operation. Among other things, we may require as a condition to our approval of your purchase of an additional franchise that you sign a general release in a form we prescribe, following applicable law, to release us from any claims you may have against us.

1.2 **Search Area.** If not determined when this Agreement is executed, you are responsible for selecting the site for the Franchise Office within the Search Area defined in Exhibit 1 and in accordance with this Agreement.

1.3 **Franchise Development.**

- 1.3.1 You will be responsible to furnish and equip the Franchise. You will comply with the standards and specifications we establish for design, layout, fixtures, furnishings, equipment, supplies, and vehicle(s), among other things. Modifications or variations require our prior written consent. All approvals will be solely within our discretion to maintain a uniform image consistent with franchise System concepts.
- 1.3.2 You will comply within a time we deem reasonable with any requirement we impose to modify the layout, furnishings, fixtures, and equipment.
- 1.3.3 All equipment will conform to our equipment specifications. We may require reasonable changes in or additions to equipment. If we require any changes in or additions to equipment, you will modify, replace or add to your existing equipment at your sole expense.

1.4 **Relocation of the Franchise Office.** You may relocate your Franchise Office within your Franchise Territory with our prior approval, which will not be unreasonably withheld. Any relocation will be at your sole expense. This Agreement will govern your operations at any replacement Franchise Office. Relocation will be subject to the following conditions:

- A. You are not in breach of this Agreement;
- B. You evidence to our satisfaction your ability to obtain and commence operations at the new location within a time we deem reasonable after you vacate the original location;
- C. You pay all reasonable out-of-pocket expenses we incur because of the relocation. In this Agreement, "Franchise Territory" and "Franchise Office" will include the new location;
- D. You sign a general release of claims against us; and
- E. You satisfy our then-current franchise placement and demographics criteria (if any).

1.5 **Existence of Divergent Forms of Franchise Contracts.** You acknowledge that we have offered franchises to others in the past the terms of which may have varied materially from those set forth in this Agreement.

1.6 **Rights We Reserve.** We retain all rights not specifically granted to you under this Agreement. Except as otherwise provided in this Agreement, we retain the right, in our sole discretion and without granting any right to you:

- A. to use or license the use of the Marks or any other trademarks, service marks, logos or commercial symbols in connection with the sale of any services or products other than those directly contemplated being used, offered, or sold by you under this Agreement.
- B. to sell products or services anywhere, including within the Franchise Territory, through channels of distribution other than the franchise currently reserved to you in the Franchise Territory. We will have no obligation to compensate you for any such sales made within your Franchise Territory. For example, we and our affiliates may offer and sell GoMobile Tires and GoMobile Detail products online, via wholesale channels, or at retail establishments at any location, whether or not within the Franchise Territory or within close proximity to a GoMobile Tires or GoMobile Detail franchise.
- C. The internet is a channel of distribution reserved exclusively to us, and you may not independently market on the internet or conduct e-commerce except as otherwise allowed by us in the operations manual.
- D. to locate GoMobile Tires and GoMobile Detail company-owned and franchised locations anywhere outside of your Franchise Territory.
- E. to locate GoMobile Detail company-owned and franchised operations within your Franchise Territory if this

Agreement is for a GoMobile Tires franchise, and to locate GoMobile Tires company-owned and franchised operations within your Franchise Territory if this Agreement is for a GoMobile Detail franchise.

- 1.7 **Pricing.** We will be permitted, to the extent permitted by relevant law, to establish price ceilings or minimum or maximum allowable prices on the products and services you offer and sell.

## 2 **PAYMENT OF FEES AND OTHER FINANCIAL REQUIREMENTS**

### 2.1 **Initial Fees.**

2.1.1 **Initial Franchise Fee.** The Initial Franchise Fee is \$35,000 for a GoMobile Tires franchise or \$10,000 for a GoMobile Detail franchise and is payable upon signing this Agreement. The Initial Franchise Fee is paid in consideration of our sales expenses, administrative overhead, return on investment, and start-up costs related to the execution of this Agreement and the opening of the Franchise and for our lost or deferred opportunity to sell franchises in the Franchise Territory to others. The Initial Franchise Fee is deemed earned upon receipt and is non-refundable under any circumstances.

2.1.2 **Initial Advertising Fee.** You shall pay us an Initial Advertising Fee of \$20,000 for a GoMobile Tires franchise or \$10,000 for a GoMobile Detail franchise upon signing the Franchise Agreement. This fee is for initial advertising and marketing we will conduct or manage through third parties in your market area during approximately the first three months of your business operations. This fee is non-refundable. You acknowledge and agree that we cannot guaranty the results of such advertising and marketing. You may wish to conduct additional advertising and marketing at your own cost and expense.

2.1.3 **Purchase of Branded Vehicle and Certain Initial Equipment and Supplies.** You must purchase from us (or our affiliate, as we may designate) your vehicle with our branding and certain initial equipment and supplies at the price we designate. This amount is payable upon signing this Agreement and is non-refundable.

2.2 **Monthly Royalty Fee.** You will pay to us 5% of your Gross Revenue each month for the preceding month as a “**Royalty Fee.**” The precise timing and method of payment for the Royalty Fee will be as described in our Operations Manual.

2.3 **Monthly Software Fee.** You will pay to us our then-current monthly fee for software (“**Monthly Software Fee**”). As of the Effective Date, this includes use of the designated scheduling software and e-commerce site for the sale of tires (which will be tied to your location page on our main site). The precise timing and method of payment for the Monthly Software Fee will be as described in our Operations Manual.

### 2.4 **Collection of Customer Payments and Remittance of Fees.**

2.4.1 You shall collect customer payments directly and remit fees payable under this Agreement to us at such times and in such manner(s) as we may reasonable designate. You shall deliver to us an itemized report of your Gross Revenue for the preceding month, as may be outlined in the Operations Manual. The report must be in the form we designate. All Royalty Fee, Advertising Fee and other fee payments based upon the Gross Revenue for the preceding month must be submitted with the report (or wemay require payment via automatic account withdrawal or other automatic processes we reasonably specifyin the Operations Manual). If we attempt a draw or other process that is returned unsatisfied for any reason,we may charge you a \$50 fee for each unsatisfied attempt.

2.4.2 Or, we reserve the right to require you to use a billing and payment processing company (“**Billing**

**Company**”) we designate to process all payments received and derived from all sources (including customer payments) in connection with your Franchise. The Billing Company would have the right to automatically deduct from your account and pay to us all fees and payments required of you under this Agreement. The Billing Company may be affiliated with us or may be a company in which we or our owners otherwise have ownership or control. The Billing Company will have the right to pass on to you the merchant processing costs and fees, and the Billing Company’s reasonable fees, associated with processing your customers’ payments.

2.4.3 Or, we reserve the right to collect payments directly from your customers and remit funds to you after deducting all costs and fees payable by you to us under this Agreement. We will remit payment to you by the fifteenth (15th) day of each month based on payments for the prior month (or at such other times as we may reasonably designate in our Operations Manual). We reserve the right to pass on to you the merchant processing costs and fees associated with processing your customers’ payments.

## 2.5 **Advertising Standards.**

2.5.1 **Your Obligation to Advertise Locally.** Each month you must expend in your local market at least 2.5% of your Gross Revenue to advertise and promote the Franchise (the “**Local Advertising Expenditure**”). Your obligation to make this expenditure will commence at the beginning of the fourth full calendar month after you begin operations. You will report the nature, extent and amount of these local expenditures, in the form and at the times we require in the Operations Manual. If you do not spend your Local Advertising Expenditure within a calendar year on local advertising, you will contribute the difference between the amount expended and the amount you should have expended to the Fund.

2.5.2 **Approval of Your Local Advertising.** We may provide to you an advertising packet with advertising templates we approve for you to use in your local advertising and promotional efforts. Otherwise, you will submit to us all advertising copy and other advertising and promotional materials, public relations programs and press releases, radio and television advertising, and specialty and novelty items, before you use them in your local advertising program. You will not use any advertising copy, public relations program, press release or other promotional material until we approve it. Your failure to conform to our provisions or requirements and subsequent non-action by us to require you to cure or remedy your failures and defaults will not be deemed a waiver of future or additional failures and defaults by you under this provision or any other provision of this Agreement.

2.5.3 **Our website.** We have established and will maintain a website to advertise and promote our brand. We will provide you with a listing within our website. You must give us the information and materials we request to develop, update, maintain and modify the listing. Subject to the terms of use on our website, we may gather, develop and use in any lawful manner information about any visitor to the website, including your customers, franchisees or prospective franchisees regardless of whether they were referred to you via the website or were otherwise in contact with you. We retain the right to approve any linking or other use of our website.

### 2.5.4 **Your Online Activities.**

- A. You will not have the right to create an independent website that includes our Marks or promotes your franchise.
- B. Your use of social media and other online mediums using our brand or promoting your franchise must be in strict compliance with our standards as outlined in our Operations Manual. We reserve the right to require you to get our prior approval of proposed venues and content for social media and other online mediums. We reserve the right to restrict or completely prohibit your use of social media and other online mediums using our brand or promoting your franchise.
- C. Any domain name, site, address, account, and other online platform or presence you create or use

in connection with your Franchise will be at your expense, but we will be deemed to own the rights to them. Upon termination or expiration of this Agreement for any reason, at our discretion, you must take all action, and sign all documents, necessary to transfer all ownership rights and control of all such domain names, sites, addresses, accounts, and other online presence to us.

- D. At your sole expense, you will maintain and update as needed all electronic devices, computer systems, and services necessary to access the internet and any intranet or similar communication system we establish in the manner we require. You are required to have high-speed internet service to your commercial or home office where you will be able to access downloads from us of advertising materials, operations manual revisions, training materials, and system news, and other communications.

2.5.5 Internal Communications Systems. You must use any intranet or other online communications systems we establish or designate. You must use such system(s) in the manner we require. You understand and agree that we may elect to provide certain assistance, deliver information and materials, or otherwise communicate with you via such system(s).

2.5.6 Trademark and Copyright Notices. You will use the Marks in strict conformity to the Operations Manual, and will include in any advertisement, or promotional materials which use the Marks, trademark notices as are required by the Operations Manual. All copyrighted materials we supply to you or otherwise used by you in connection with the Franchise will contain copyright notices as required by the Operations Manual.

2.5.7 Regional or National Accounts. We reserve the exclusive right to service regional and national accounts and to assign them to franchisees at our discretion. What constitutes a “regional account” or “national account” will be at our sole reasonable discretion. We may designate revenue sharing between us and the franchisee(s) that service(s) the account.

2.5.8 Limited-Time Offers. In national or regional advertising programs, we may include “suggested retail prices” or offer price-specific limited-time offers for the goods or services sold by you and our other franchisees. We will include within all such advertising the phrase “available at participating locations only” or other cautionary language to advise the consumer that the prices may not be adhered to by all our franchisees.

2.5.9 Discount Programs. We may develop and market special discount or free coupon programs. You will have the right, but not the obligation, to participate in these programs. We will notify you of the creation and provisions of a discount or coupon program. Within five days after receipt of the notice, you will advise us whether or not you wish to participate in that program. If you notify us that you wish to participate, you will adhere to all provisions of the program. If you elect to be excluded from a program, we will have the right to advise consumers, by advertising, sales solicitation or otherwise, that you are not a participant. You will not be entitled to the benefits of that program. We will establish the discount or coupon programs in our sole discretion, and will not have any obligation to consult or confer with you or any other of our franchisees with respect to the nature, content or amount of any discount or coupon established pursuant to any program. Except as otherwise required by law, any discount or coupon programs or other promotions you desire to offer will be subject to our prior written approval (which we may withhold at our discretion).

2.5.10 Our Advertising. We will not be required to advertise or promote the brand in your market area or any other market area. We will direct any regional and/or national advertising programs we elect to establish. We will have sole discretion over the creative ideas, materials, endorsements, and placement of advertising and marketing. We may choose to develop our brand through any medium we choose, such as print, online, other technologies, and public relations. We may provide to you advertising materials for you to use in your local advertising and promotional efforts.

2.6 **"Gross Revenue" Defined.** "Gross Revenue" means all receipts generated by the Franchise from any source, including sales, exchanges, services, any other type of remuneration, gift, barter of products or services, charity, payment in kind, or any other benefit or value that is received or deferred to be received, and excludes discounts, refunds, and sales taxes. Credit transactions will be included in Gross Revenue as of the date of the transaction without deduction for uncollected credit accounts. The proceeds from any business interruption insurance you receive will be included in Gross Revenue.

2.7 **You Will Pay Taxes and Indebtedness.**

2.7.1 You will pay all taxes, assessments, liens, encumbrances, accounts, and other debts, regardless of their nature, assessed against you, the Franchise Office, or inventory, materials, fixtures, and equipment used in the Franchise. Payment will be made when due and before delinquent except when being contested in good faith by appropriate proceedings. If we are charged with any tax by the authorized taxing authority of any state or political subdivision, including taxes on sales made to or licenses granted to you, or sales made by you in the Franchise Territory, you will pay these taxes. You will pay to us promptly and when due the amount of all sales taxes, personal property taxes and similar taxes imposed upon, required to be collected, or on account of collection by us of the Initial Franchise Fee, the Royalty Fee, or any other payments you make to us pursuant to this Agreement.

2.7.2 You acknowledge that one of the benefits accruing to you and all of our other franchisees is the economy of mass purchasing power made available through us. Your failure to pay or repeated delay in making prompt payment in accordance with the terms of the invoice or statements rendered to you for payments due, or misdirection of supplies or other abuses will result in a loss of credit standing and goodwill and a loss of benefits derived to us and other franchisees using the System. You expressly agree to promptly make all product purchase payments on invoices and statements rendered to you in accordance with the terms of the invoices and statements and to make timely remittances of rent as required on your lease.

2.8 **Set-Offs and Late Charges.**

2.8.1 You will not set off any claim for damages or money due to you from us against any payments to be paid by you to us under this Agreement or any related agreement between the parties. No endorsement or statement on any check or payment of any sum less than the full sum due from you to us will be construed as an acknowledgment of payment in full or as an accord and satisfaction. We will have the right to accept any check or payment without prejudice to our rights to recover the balance due or to pursue any other remedy available to us.

2.8.2 A late charge will be added to any sums to be paid under this Agreement that remain unpaid after the date due. The late charge will equal 1.5% per month. In addition, late payments will be subject to a late payment penalty of 5% of the amount due. These late charges and late payment penalties will not exceed any limits placed upon late charges and late payment penalties by applicable local laws.

Our acceptance of late charges will not constitute a waiver of the breach created by your non-payment of any amount when due. Notwithstanding the payment of any late charges, we may exercise any rights or remedies granted by this Agreement upon your breach or any rights or remedies otherwise granted by law.

Nothing contained in this Agreement obligates us to accept any payments after due or to commit to extend credit to or otherwise finance your operation of the Franchise. You acknowledge that failure to pay all amounts when due will constitute grounds for termination of this Agreement.

2.8.3 Upon your failure to pay us as and when due, we may, at our election, deduct the unpaid sums from any monies or credit we hold for your account. You agree that you will not withhold payment of any amounts due to us

on the grounds of any alleged non-performance by us, or in the event of any dispute or a claim by you, or for any other reason whatsoever

## 2.9 **Records and Reports.**

2.9.1 You will keep a complete and accurate set of books and records of the operation of the Franchise, produce monthly financial statements (balance sheet, profit and loss statement, and other information and statements as we may require) in accordance with generally accepted accounting principles and practices for each calendar month and furnish copies of these statements to us by the tenth (10th) day of each calendar month for the prior month (or at such other intervals as we may require).

2.9.2 You will furnish to us as outlined in the Operations Manual, an itemized report of the Gross Revenue for the prior month. This report must be certified by you to be true and correct. The report will be in the form and will include such supporting documentation as we may reasonably demand. All Royalty Fees and any other fees due based upon the Gross Revenue for the preceding month will accompany the report (unless otherwise provided in the Operations Manual).

2.9.3 You will keep records of all business done and Revenue received through the Franchise. These records will include, but are not limited to, order sheets, sales and rental agreement forms, daily sales summaries, tax returns, financial statements, and invoices. You will date, file in consecutive order, retain for a period of five years, and make available to us for inspection and audit all of your records. Without limiting the foregoing, you must send us copies of your tax returns upon our written request.

2.9.4 Our right to inspect will include the right to examine your books, tax returns and records of other businesses owned, in whole or in part, or operated by you to determine whether all revenue to be reported by you has been properly reported and that appropriate fees and contributions have been paid. We may establish a uniform list of accounts and a uniform bookkeeping system for all of our franchisees. You agree to maintain your books and records in the manner we require.

2.9.5 You will submit to us a list of all shareholders, members, partners or other owners of the franchise business and the respective interests held by each as of the end of each fiscal year. Provided, however, if your shares are publicly traded, the list of shareholders required will include only those owning 5% or more of the shares outstanding. The required report will be submitted to us within 90 days after the end of your fiscal year.

2.9.6 If Franchisee fails, for any reason, to timely deliver to Franchisor any required report with all required information, Franchisor is authorized, without further notice, to assess Royalty Fees and other ongoing fees for each relevant month and effect an electronic funds or other transfer of such funds calculated as the greater of (a) Franchisee's average monthly Royalty Fees (or other applicable ongoing fees) over the prior twelve months (or shorter period if Franchisee has been in operation for less than 12 months) or (b) the average monthly Royalty Fees (or other applicable ongoing fees) of all similar franchisees within Franchisee's region as defined by Franchisor. Franchisee hereby authorizes Franchisee's bank to make such transfers upon Franchisor's request. No action taken under this sub-paragraph shall constitute a cure of any breach by Franchisee, an election of remedies by Franchisor or act, in any way, to limit Franchisee's liability to pay fees under this Agreement.

2.9.7 **Audits.** We may audit your reports, books, statements, business records, cash control devices, and tax returns at any time during normal business hours. Audits will be conducted at our expense unless you understate the Gross Revenue for any reported period or periods by more than 2% or unless you fail to deliver any required report of Gross Revenue or any required financial statement in a timely manner. In the event of an understatement or failure to deliver, you will reimburse us for all audit costs. These will include, among other things, the charges of any independent accountant and the travel expenses, room, board, and compensation of our employees incurred

in connection with the audit. You will immediately pay all Royalty Fees and other fees and late payment charges that the audit determines are owed (which we may deduct from payments we or our designated Billing Company collect from your customers). These payments will not prejudice any other remedies we may have under this Agreement or by law. Our right to audit will include the right to examine the books, tax returns and records of other businesses that you own or operate, in whole or in part, to determine whether all revenue to be reported by you has been properly reported and that appropriate fees and contributions have been paid.

2.9.8 **You are to Pay all Franchise Costs.** All the costs of the Franchise, including opening and operating costs, will be your sole obligation, except that we will provide the vehicle and certain initial equipment and supplies in exchange for the payment described in Section 2.1.3 above (entitled “Purchase of Branded Vehicle and Certain Initial Equipment and Supplies”). We will have no other costs, liability or expense whatsoever with respect to your opening and operation of the Franchise. You will not use or employ the Marks in performing any activity or incurring any obligation or indebtedness in a manner that could result in making us liable for them.

2.9.9 **Application of Payments.** We have the right, in our sole discretion, to apply any payment from you to any past due indebtedness you owe to us or our affiliates, whether from monthly fee payments, purchases, late payment charges, or for any other reason. This section will apply regardless of how you may designate a particular payment is to be applied.

### 3 **TRAINING**

#### 3.1 **Mandatory Training.**

3.1.1 We will provide a mandatory training course for you and your designated manager (if any) and your technician. We anticipate that a portion of this training will occur via online video conference and the remainder will occur onsite in your Franchise Territory. However, we reserve the right to change the training program, including the locations and methods for training, at our discretion. This training course will cover various aspects of the operation of the Franchise, which may include topics such as financial controls, marketing techniques, service methods, and maintenance of quality standards.

3.1.2 You and your manager (if any) and technician must complete the course prior to opening the Franchise for business. Training is scheduled and held on an “as needed” basis depending on the number of franchisees requesting training in a particular time frame and our training personnel’s availability.

3.1.3 You must complete this mandatory training program to our exclusive satisfaction or we may terminate this Agreement. You are encouraged to participate in the training before incurring any costs or expenses related to the planned opening of the Franchise. We will not be liable for any costs or expenses you incur if we terminate this Agreement because you fail to satisfactorily complete the mandatory training course.

3.1.4 You will pay the transportation, board and lodging expenses you and your personnel incur related to this training. Training and training materials may be delivered in the formats or media we choose (which may include digital and online media). You will participate in and pay for the costs of training, including costs of computer equipment and internet services needed to participate.

3.1.5 If the Franchise is managed by any persons other than you, or if you hire additional or replacement technicians, you will notify us. Each manager and technician you hire must complete the mandatory training program before assuming management duties or servicing customers (this training program will be conducted by us or by you in accordance with our specifications, at our discretion). You will bear all costs of the training, including a reasonable training fee at our then-current rates. Any other employees you hire must complete a training program

under the direction of you or your designated manager who has successfully completed our mandatory training course. At all times, your franchise must be operated and supervised by an individual who has completed our mandatory initial training program.

3.1.6 Based on our evaluation of your skills and experience (and specifications and standards that may be included in our Operations Manual), we reserve the right to prohibit you (or your owners, if you are an entity) from providing technician services to your customers, in which case you would be required to hire a qualified technician who must successfully complete our training program before servicing customers.

### 3.2 **Additional Training.**

3.2.1 **Requested By You.** At your option and upon not less than 30 days' prior written notice to us, you may receive additional training at our training center or at other agreed upon locations (subject to our availability). The timing and duration for this training is negotiable and depends upon your needs and our availability. All expenses of this training will be borne by you, including your transportation, lodging, meals, compensation, and our reasonable costs and expenses including a reasonable training fee at our then- current rates. You will not receive any compensation for services rendered by the trainee during this or any other training.

3.2.2 **Required or Offered by Us.** We may provide refresher training programs or seminars and may require that you and/or your manager(s) and/or your technician(s) attend and complete them to our satisfaction. These programs and seminars will be held at locations we designate. We may charge a reasonable training fee at our then-current rates. You will be responsible for your transportation, meals and lodging, and wages for your employees.

3.2.3 **Additional Training Required by Franchisor Based on Franchisee's Deficiency.** We may require you to participate in additional training if you fail to meet our standards and specifications in the opening or operation of your Franchise as we determine at our discretion. This training will typically be held at our headquarters or your location at our discretion. We will charge a reasonable training fee at our then-current rates. You will be responsible for your and our transportation, meals and lodging, and wages for your employees.

3.2.4 **Who Will Provide Training.** We may provide training through one or more designees or third-party service providers, which may include, for example, qualified franchisees, master franchisees, and/or representatives of our approved suppliers.

## 4 **COMMENCEMENT OF OPERATIONS**

### 4.1 **Opening Deadline.**

4.1.1 You must commence full and continuous operation of the Franchise within thirty (30) days of the Effective Date (the "**Opening Deadline**").

4.1.2 Before commencing operations, you must (1) complete to our exclusive satisfaction the mandatory training program described above; (2) have your initial manager (if applicable) and technician complete the training program; (3) find a site for the Franchise Office acceptable to you and approved by us; and (4) procure all necessary licenses, permits and improvements and purchase initial equipment, supplies and inventory (as applicable).

4.1.3 If you do not open by the Opening Deadline, then we may terminate this Agreement.

## 5 **FRANCHISE STANDARDS OF OPERATION**

## 5.1 **Operations Manual.**

5.1.1 **Operations Manual.** The development of the System is an important and beneficial aspect of the relationship you want to have with us. We agree to lend to you a copy of the Operations Manual (the “**Operations Manual**”) once you have paid to us the Initial Franchise Fee, in full. In general, the Operations Manual is intended to establish standards and recommendations for outcomes to protect our systems and brand while giving you the flexibility, as an independent contractor franchisee, to determine the means to accomplish such outcomes. You are responsible for the day-to-day operation of your Franchise.

The Operations Manual describes the System, which may include specifications, standards, operating procedures, accounting and bookkeeping methods, marketing ideas, equipment requirements and control techniques, plans, specifications, and requirements, public relations guidelines and other rules that we may prescribe periodically and identify as part of the Operations Manual.

5.1.2 **Formats of Operations Manual.** The Operations Manual includes materials in whatever form (including electronic) we provide to you that describe the guidelines, advice, and requirements regarding the operation of your franchise, including user manuals and related instruction materials. It includes amendments, supplements, and new documents made and identified by us as part of the Operations Manual. The Operations Manual may be delivered to you by hard paper copy; digital copy; or by any other medium we choose at our discretion.

5.1.3 **Confidentiality of Operations Manual.** The Operations Manual is and will remain confidential and our exclusive property. You will not disclose, copy or duplicate any part of the Operations Manual for any reason. You agree to return to us the Operations Manual and any updated or amended pages immediately upon written demand. Nothing in this Agreement may be construed as an incorporation of the terms of the Operations Manual or as making the Operations Manual part of this Agreement. The Operations Manual, in part, may consist of confidential: manual or manuals; any Intranet or password protected portion of an internet site any other embodiment of the System, including notices of new standards and procedures; and any amendments, supplements, derivative works, and replacements.

5.1.4 **Amending Operations Manual.** We may amend the Operations Manual, including changes which may affect minimum requirements for your franchise operations. At all times you will ensure that your copy of the Operations Manual and any other manuals given to you are kept current and up to date with the amendments and updates we provide to you. In the event of any dispute as to the contents of the Operations Manual, the terms of our master copies maintained at our principal place of business will be controlling.

You will strictly adhere to the requirements of the Operations Manual as we amend it periodically. You will implement immediately all changes at your cost unless we otherwise specify. We reasonably may restrict you from producing, stocking, and selling certain services and goods as may be specified in the Operations Manual.

5.1.5 **Forms and Templates and Your Compliance with Laws.** To the extent we provide you forms and templates for you to use in the operation of your Franchise (in the Operations Manual or otherwise), such forms and templates are provided as samples only (unless expressly stated otherwise in this Agreement or the Operations Manual). It is solely your responsibility to ensure that all forms, templates, handbooks, documents and agreements you use in the operation of your Franchise are appropriate for their intended purposes and comply with all applicable laws. It is your responsibility to consult with your own independent lawyer and other professional advisors for more information. This is especially important with respect to employment-related matters. We shall not be responsible or liable for your use of forms and templates we provide to you. The indemnities described in Section 8.1 shall include Claims related to or arising from your use of such forms or templates.

5.2 **Standards to Be Maintained.** You will follow the System and maintain standards of product and service

that we prescribe.

5.2.1 You will operate the Franchise in a clean, orderly, and respectable manner in strict compliance with this Agreement and the Operations Manual. You will only use signs, equipment, materials, products, inventory, and services that conform to our specifications to conduct the franchise.

5.2.2 If you maintain any signs at the Franchise Office, these signs must comply with local sign ordinances, regulations and laws and must be approved by us.

5.2.3 We may enter the Franchise Territory at reasonable times to verify your compliance with the terms of this Agreement. To do so, we may:

- A. Inspect the Franchise;
- B. Observe your operation of the franchise business for any consecutive or intermittent periods we deem necessary;
- C. Select items, products and other materials, services, equipment, operations and supplies for test of content and evaluation purposes to make certain that they are satisfactory and meet our quality control provisions and performance standards;
- D. Interview your personnel, customers, and vendors; and
- E. Inspect and copy any books, records and documents related to the operation of the franchise and any other franchise information we may require.

You and anyone acting as your agent will cooperate fully with us and our agents in connection with these inspections, observations, and interviews. You expressly waive any rights of privacy or confidentiality you have with your personnel, customers, and vendors in reference to these inspections, observations and interviews. Despite the foregoing, our reviews and inspections of your operations do not replace your duty to supervise your own business operations and workers.

5.2.4 You will comply with all applicable ordinances, regulations, bylaws, laws, and statutes. You will not permit unlawful activities in the Franchise and will not sell, exchange, offer, hold, show, rent, or permit to be sold, exchanged, offered, held, shown, or rented any material or service you know or reasonably suspect to have been obtained in violation of law or to be otherwise illegal.

5.2.5 You will secure and maintain in force all required licenses, permits and certificates relating to the operation of the Franchise and will operate the Franchise in full compliance with all applicable ordinances and regulations, including all government laws and regulations relating to occupational hazards and health, EEOC laws, Americans with Disabilities Act, copyright laws protecting owners of artistic works, consumer protection, trade regulations, workers compensation, unemployment insurance and withholding, and payment of federal and state income taxes, social security taxes and sales, use and property taxes. You will furnish to us within 120 days after the receipt of equipment, a copy of a receipt for the payment of all use taxes, personal property taxes, and like taxes or assessments.

5.2.6 You will comply with the following additional standards:

- A. You will not offer, sell or dispense any products or services or activities other than those we specifically recognize and approve in writing.
- B. You, at your expense, will maintain the Franchise and equipment and furnishings in good repair, attractive appearance, and sound operating condition in compliance with the Operations Manual. At our request, you will make necessary repairs in order to protect the reputation of the Marks. You will commence all repairs and changes within a reasonable time after notice from us, and you will proceed with due diligence until completion. If

you do not maintain the Franchise as required, after notice to you, we at our option, may make the necessary maintenance and repairs and charge the cost to you. If we make or direct the making of repairs, we will not incur any liability to you, including liability for interruption of your business during the course of making the maintenance and repairs.

C. You will keep your Franchise open for business every week of the year, except as we designate or approve in writing.

### 5.3 **Our Intellectual Property.**

5.3.1 You agree that the Marks, Operations Manual, System, and other intellectual property are our sole and exclusive property. Except for the Franchise granted to you by this Agreement, nothing in this Agreement or any other agreement will give you or others any right, title, or interest whatsoever in or to the Marks, Operations Manual, or System. Your license to use the Marks is non-exclusive. We, in our sole discretion, may operate under the Marks and may grant licenses to others to use the Marks on any terms and conditions we deem appropriate. In those states and nations where applicable, you agree to execute on request all documents necessary to record you as a registered user of the Marks. You will not use the Marks as part of any electronic mail address or in any electronic mail message except in accordance with the Operations Manual and only for purposes of the franchise.

5.3.2 You will immediately notify us of any infringement of, or challenge to, your use of the Marks or any marks identical to or confusingly similar to the Marks (or any of our other intellectual property), including any claims of infringement or unfair competition. While we will make reasonable efforts to protect your rights to use the Marks (and other intellectual property), we will have sole discretion to take or not to take action, as we deem appropriate. We will not be required to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving the Marks (or other intellectual property) or if the proceeding is resolved unfavorably to you. If we undertake the defense or prosecution of any litigation or administrative action involving you or any litigation or administrative action involving the Marks, other intellectual property, or the System, you agree to execute any and all documents and to do all acts and things that in the opinion of our counsel are necessary or advisable to carry out the defense or prosecution. This may be done either in our name or in your name, as we will elect.

5.3.3 You will modify or discontinue use of any franchise names or Marks (or other intellectual property), or will use one or more substitute names or marks (or other intellectual property), if we so direct in writing at any time at your sole expense. Under no circumstances will we be liable to you for any damages, costs, losses, rights, or detriments related to any modification, discontinuance, or substitution. All obligations or requirements imposed upon you relating to the Marks (or other intellectual property) will apply with equal force to any modified or substituted names or marks (or other intellectual property).

5.3.4 You will not contest, directly or indirectly: our ownership, title, right, or interest in the Marks, the Operations Manual, other intellectual property, or the System; or our exclusive right to register, use, or license others to use the Marks, Operations Manual, other intellectual property, and System. You will not advertise or use the Marks without following our then-current guidelines and requirements. These may include, but will not be limited to, the placement of appropriate © or ® copyright and registration marks, or the designations TM or SM, where applicable.

5.3.5 Any and all goodwill associated with the Marks (or our other intellectual property), including any goodwill that might be deemed to have arisen through your activities, will accrue directly and exclusively to our benefit, except as otherwise provided by applicable law. You appoint us as your agent and attorney-in-fact to amend or cancel any registered user or business name filings obtained by you or on your behalf that involve or pertain to the Marks.

5.3.6 You will not use the Marks on products or services that come from any source other than us or sources we

approve in writing except for products you prepare or produce pursuant to the Operations Manual and the System.

5.3.7 We make no representation or warranty, express or implied, as to the use, exclusive ownership, validity or enforceability of the Marks or our other intellectual property.

5.3.8 We and you will use reasonable best efforts to continuously improve the products, processes and services used in the System and to develop new products, processes and services for use as part of the System. All the improvements, inventions and developments you make, develop or create for use in the System will be our property (or that of our parent or an affiliate) and we alone (or our parent or an affiliate) will hold any patent, trademark registration or other form of protection for those improvements, inventions, developments, processes, methods and practices.

5.4 **You Will Not Use Names or Marks in Combination.** Except as provided in this Agreement, you will not use or give others permission to use the Marks, or any colorable imitation of them, combined with any other words or phrases. You and your owners, officers, and agents will not form or participate in the formation of any company, firm, corporation, or other entity having a name containing the words of the Marks. You may not combine or associate any name or symbol of the Marks with any other name or word in any advertising or sign. The Marks must be used in exact conformity with specifications we set in the Operations Manual.

5.5 **Marks, Operations Manual, and System May Be Changed.**

5.5.1 You acknowledge that the Marks, Operations Manual, and System, including any future amendments or modifications to them, have substantial value, and that the conditions, restrictions, covenants not to compete, and other limitations imposed by this Agreement are necessary, equitable, and reasonable for the general benefit of you, us, and others enjoying any lawful economic interest in the Marks, Operations Manual, and System.

5.5.2 We may change or modify any part of the Marks, Operations Manual, or System periodically at our sole discretion. You will accept, use, and protect, for the purposes of this Agreement, all changes and modifications as if they were a part of the Marks, Operations Manual, and System at the time this Agreement is executed. You will bear all costs and expenses which may be reasonably necessary as a result of such changes or modifications. Under no circumstances will we be liable to you for any damages, costs, losses, or detriments related to of these changes or modifications.

5.5.3 Complete and detailed uniformity of the Marks, Operations Manual, and System under the varying conditions to be experienced by our franchisees may not be possible or practicable. Therefore we reserve the right, at our discretion, to accommodate your special needs, or those of any other of our franchisees. These needs may result from the peculiarities of a particular site or location, density of population, business potential, populations of trade area, existing business practices, requirements of local law or local customers, landlord requirements, or any other condition which we deem to be important to the successful operation of the franchisee's business. We may allow certain franchisees to depart from normal system standards and routines to experiment with or test new products, equipment, designs, and procedures. In no event will any variance or testing be deemed a waiver of any of our rights, or an excuse for you to not perform any of your duties under this Agreement. We may require you at any time to commence full compliance with the Operations Manual and the System. We will not be required to grant any variance to you under any circumstances. You will not require us to disclose or grant to you a like or similar variation.

5.6 **Confidential Information.**

5.6.1 You specifically acknowledge that we will provide to you valuable information regarding our System for the operation of your Franchise, which may include information regarding our operational, sales, promotional and

marketing methods and techniques, operating procedures, recipes, processes, practices, lists of suppliers, customer lists, manuals, communications methods, accounting and reporting methods, use of proprietary software, marketing and sales techniques and strategies (“Confidential Information”). Any and all information, knowledge and know how, not generally known about the System will be deemed Confidential Information.

5.6.2 You acknowledge that unauthorized disclosure or use of our Confidential Information would harm our goodwill associated with our Marks and System, and would harm our other franchisees. Unless the Franchisor otherwise agrees in writing, during the term of this Agreement and forever after its expiration, transfer or termination, you will not use or disclose any Confidential Information except as required for the establishment and operation of your Franchise as authorized by us.

5.6.3 Confidential Information loses that status if: (1) You can demonstrate that such information has become generally known or easily accessible other than by your breach of this Agreement; or (2) You are legally compelled to disclose such information in judicial or administrative proceedings, provided you have notified the Franchisor prior to disclosure and shall have used your best efforts to obtain and shall have afforded the Franchisor the opportunity to obtain an appropriate protective order or other assurance satisfactory to the Franchisor of confidential treatment for the information required to be so disclosed.

5.6.4 You acknowledge and agree that our System and Confidential Information are and shall continue to be our sole and exclusive property, whether or not disclosed or entrusted to you in connection with your relationship with us. Nothing in this Agreement or any other agreement will give you or others any right, title, or interest whatsoever in or to them. Our Confidential Information shall be considered our trade secrets and shall be entitled to all protections provided by applicable law to trade secrets.

5.6.5 You agree to hold our Confidential Information in the strictest confidence. You agree to exercise the highest degree of care in safeguarding Confidential Information against loss, theft, or other inadvertent disclosure. You agree to fully and strictly adhere to all security procedures we prescribe for maintaining the confidentiality of the information.

5.6.6 You will not reverse engineer, decompile or disassemble any items embodying the System, our Confidential Information, our proprietary software (if any), or any of our other intellectual property, or permit or induce the foregoing. Without limiting the generality of the foregoing, Franchisee will not attempt to decode or decrypt, or derive the source code, techniques, processes, algorithms, know-how or other information from our proprietary software (if any).

5.6.7 The Operations Manual may contain guidelines to protect Confidential Information and trade secrets, including limited access to the information on a need-to-know basis, locking of offices and computer files, placement of appropriate legends on materials, limited access for copying and scanning, pass-word protection, and encryption. You will conduct periodic meetings with your technicians and other employees to instruct them on their responsibilities to maintain the confidentiality of our information.

5.6.8 If Franchisee is a business entity, all of Franchisee’s owners shall either sign this Agreement directly or sign a Confidentiality and Non-Competition Agreement in the form we specify.

5.6.9 You shall require all of your officers, directors, beneficiaries, independent contractors, agents, representatives, and employees - who may obtain or who are likely to obtain knowledge concerning our Confidential Information and who do not directly sign this Agreement - to sign confidentiality and non-disclosure agreements with provisions similar to those provided in this Agreement (and a non-competition agreements with provisions similar to those provided in this Agreement to the extent permitted by applicable law). We may provide a sample form of agreement for your use, but it is solely your responsibility to ensure that such agreement complies with

applicable law in your jurisdiction. We must be described as a third-party beneficiary on such agreements so that we may enforce such agreements (unless we specify otherwise).

5.6.10 If you become aware of any actual or threatened unauthorized use or disclosure of our Confidential Information, then you will promptly and fully advise us in writing of all related facts known to you. You will cooperate with us in all ways we reasonably request to prevent or stop any such unauthorized use or disclosure.

5.6.11 We may disclose financial performance information regarding your Franchise operations in our franchise disclosure documents and elsewhere at our discretion. You hereby consent to the disclosure of such information. You agree to provide such information to us promptly upon request.

#### 5.7 **In-Term Non-Competition Covenant.**

5.7.1 In express consideration for and during the term of this Agreement, neither you nor your owners, directors, officers, successors, agents, or representatives will directly or indirectly (such as through another individual or entity or otherwise) participate as an owner, director, officer, employee, consultant, franchisor, licensor, franchisee, licensee, distributor, advisor or agent, or serve in any other capacity in any vehicle tire business (mobile or non-mobile) that replaces customers' tires and/or wheels, or any vehicle detailing business (mobile or non-mobile), or any business that offers products or services that are essentially the same as, or substantially similar to, the products and services that are part of the System (defined broadly in this instance to include the Systems for both GoMobile Tires and GoMobile Detail regardless of the type of franchise you operate). We may waive this covenant only in writing.

5.7.2 You will assure that you and your owners, directors, officers, successors, agents, and representatives, during the term of this Agreement and for a period of two years after expiration or termination of this Agreement do not:

- A. divert or directly or indirectly attempt to divert any of our business or any of our customers to any competing establishment; or
- B. do or perform, directly or indirectly, any other act injurious or prejudicial to our goodwill associated with the Marks and System.

5.7.3 The provisions relating to interests in any other business will not apply to your ownership of outstanding securities of any corporation whose securities are publicly held and traded; provided that you hold these securities for investment purposes only and that your total holdings do not constitute more than 5% of the outstanding securities of the corporation.

#### 5.8 **Participation in the Actual Operation of the Business.**

5.8.1 You will diligently, faithfully, and honestly perform your obligations pursuant to this Agreement. You will use your best efforts to develop, promote, and enhance your Franchise. You will not engage in any activity or business enterprise that conflicts with these obligations.

5.8.2 You will not be required to participate directly in the day-to-day operation of the Franchise, but it must be under your general supervision as it is ultimately your responsibility to comply with this Agreement. You may designate a manager to oversee your operations and must hire a technician to assume responsibility for day-to-day operations (unless you are qualified and trained to serve as technician).

#### 5.9 **Electronic Devices and Software.**

5.9.1 You must lease, purchase or otherwise acquire, from sources of your choice (or from designated or

approved supplies, as we determine) and at your expense, a smart phone or tablet that strictly conforms to our specifications ("Electronic Devices"). We will supply your phone number via a SIM card into your device; we will manage the SIM card and its data.

5.9.2 You are required to have high-speed internet service where you will be able to access downloads from us of advertising materials, operations manual revisions, training materials and corporate news (as applicable).

5.9.3 In addition to the Monthly Software Fee described above in Section 2, you must purchase an online subscription to the version of QuickBooks we specify (or such other accounting software as we may designate). You must use this accounting software in the operation of your franchise. We may require you to purchase and use additional hardware and software at our reasonable discretion. We may require you to purchase such additional hardware and software (including subscriptions) from our designated or approved suppliers or subject to our minimum specifications (as we may specify). You must comply with any separate software or other license agreement that we or our designee uses in connection with providing services to you.

5.9.4 We will have full ability to access your data, Electronic Devices and related information by means of direct access whether in person or by electronic means.

5.9.5 We may require reasonable changes, replacements, or additions to the Electronic Devices. If we require any such changes, replacements, or additions, you must comply with such requirements within a reasonable period at your sole expense.

5.9.6 You acknowledge your understanding that Electronic Devices are vulnerable in varying degrees to computer viruses, bugs, power disruptions, communication line disruptions, internet access failures, internet content failures, and attacks by hackers and other unauthorized intruders. We do not guarantee that information or communication systems that we or others supply will not be vulnerable to such issues, and it is your responsibility to protect your business from such issues. You should also take reasonable steps to verify that others with whom you communicate and do business have reasonable protection from such issues. This may include taking reasonable steps to secure your Electronic Devices (including firewalls, password protection, and anti-virus systems) and to maintain backup systems.

5.10 **Working Capital Requirements.** At all times during the term of this Agreement, you must maintain and employ as much working capital as may be required to enable you to properly and fully perform all your duties, obligations, and responsibilities.

5.11 **Notice of Court Action.** You will notify us in writing within five (5) days of the commencement of any action, suit or proceeding, or of the issuance of any order, writ, injunction, award or decree of any court, agency or government instrumentality that may adversely affect your operation of or the financial condition of the Franchise.

5.12 **Products and Suppliers.**

5.12.1 You must purchase all goods and services needed for the operation of your Franchise either from us, our affiliates, one or more exclusively designated suppliers, our approved suppliers, or subject to our standards and specifications, as we will designate. You must purchase items that bear the Marks from us or designated suppliers. We may privately label proprietary items and supplies. We retain the right to make a reasonable profit on any items, supplies and materials you buy from us or our affiliates. We may also make a reasonable profit on supplies we purchase in bulk quantities and sell to you.

5.12.2 You must sell, offer for sale, distribute or deliver only such services or products that meet the specifications and standards of quality and quantity in the Operations Manual. You must sell or offer to sell all approved items and

services. You must refrain from deviating from our standards and specifications and must discontinue selling or offering for sale any such items as we may, at our discretion, disapprove in writing at any time. You will use commercially reasonable efforts and good faith to promote and sell the products and services.

5.12.3 We may require you to use approved suppliers, or we may designate a single source of supply, for any goods or services for your Franchise. All specifications that we require of you and lists of approved and exclusively designated suppliers will be included in the Operations Manual. We will use our best judgment to set and modify specifications in order to maintain the integrity and quality of the franchise system

5.12.4 EXCEPT AS EXCLUSIVELY SET FORTH IN WRITING AND SIGNED BY US, WE MAKE NO EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO THE VEHICLES, EQUIPMENT, PRODUCTS, SUPPLIES (COLLECTIVELY "ITEMS"), AND SERVICES WE OR OUR AFFILIATES PROVIDE. ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT RESTRICTED TO, THE IMPLIED WARRANTY OF TITLE AND THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE EXPRESSLY DISCLAIMED. UNDER NO CIRCUMSTANCES WILL OUR LIABILITY IN CONNECTION WITH ANY ITEMS OR SERVICES EXCEED THE DOLLAR AMOUNT OF THE PURCHASE PRICE, LICENSE FEE, OR SUBSCRIPTION FEE PAID BY YOU FOR THE PRODUCTS OR SERVICES. IN NO EVENT WILL WE BE LIABLE TO ANY PARTY, INCLUDING BUT NOT LIMITED TO, YOU AND YOUR CUSTOMERS, FOR ANY TORT DAMAGES OR INDIRECT, SPECIAL, GENERAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS OR ANTICIPATED PROFITS AND LOSS OF GOODWILL, ARISING IN CONNECTION WITH THE USE (OR INABILITY TO USE) THE ITEMS OR SERVICES FOR ANY PURPOSE WHATSOEVER, EVEN IF WE ARE AWARE OR HAVE BEEN ADVISED OF THE POSSIBILITY OF POTENTIAL LOSS OR DAMAGES.

5.12.5 Except for items and services that we require you to purchase from us, our affiliates, or our exclusively designated suppliers:

With advance written notice, you may request our approval to obtain products, supplies or materials from sources that we have not previously approved. We may require you to give us sufficient information, photographs, drawings, samples, and other data to allow us to determine whether the items from these othersources meet our specifications and standards. These specifications and standards will relate to quality andthe suppliers' capacity and facility to supply your needs in the quantities, at the times, and with the reliabilitynecessary for efficient operation. We may require that samples from any supplier be delivered to a designated independent testing laboratory for testing prior to approval and use. You will reimburse us forthe actual cost of the tests. We will license any supplier that can meet or exceed our quality control and confidential requirements and standards, for a reasonable license fee, to produce and deliver products to you but to no other person. Our confidential manufacturing requirements, equipment, designs, and systemswill be disclosed to potential suppliers only after we have received reasonable evidence that the proposed supplier is trustworthy and reputable; has the capacity to consistently adhere to our standards, requirementsand testing procedures; will maintain the confidentiality of the designs and systems; and will adequately supply your reasonable needs. We may require a confidentiality and non-disclosure agreement signed by the proposed supplier prior to release of any Confidential Information. We will not unreasonably withholdapproval of a supplier you propose. We will notify you in writing of the approval or disapproval of any supplier you propose within 30 days of our receipt from you of your written notice of request for approval.

5.12.6 You acknowledge that while you may propose alternate suppliers for products and services, the proposed suppliers may not qualify. You further acknowledge that our approved suppliers may be the only source of supply for products and services required in the Franchise.

5.12.7 We or our agents may inspect any proposed or approved manufacturer's, supplier's or distributor's facilities

and products to assure proper production, processing, storing, and transportation. Permission for inspection will be a condition of our continued approval of any manufacturer, supplier or distributor. Should we determine from any inspection that a manufacturer, supplier or distributor fails to meet our specifications and standards, we will give written notice describing this failure to you and to the manufacturer, supplier or distributor, together with a notice that unless the failure or deficiency is corrected within 30 days, the manufacturer, supplier or distributor will no longer be approved.

5.12.8 One of the potential benefits that may accrue to you and all our other franchisees is the economy of mass purchasing power potentially made available through us. Your failure to pay or repeated delay to make prompt payment in accordance with the terms of the invoices and statements for payments due on your purchases of any items, or your misdirection of supplies or other abuse of our approved suppliers, distributors and manufacturers, will result in a loss of credit standing and goodwill and benefits otherwise available to us and our other franchisees. You expressly agree to promptly pay all such invoices and statements in accordance with their terms.

5.12.9 We may obtain money, goods, services, or other benefits from persons and entities with whom you do business, on account of that business with you. These may include rebates, refunds, commissions, co-operative payments, or discounts.

5.12.10 There are no required quotas as to quantity of purchases you must make from us or from approved vendors. You must only have enough equipment, supplies, and inventory on hand to meet customer demand.

5.12.11 The following terms and conditions apply to your purchase of products from us or our affiliate(s) and are subject to change in our Operations Manual

- A. To receive products, you must deliver to us a purchase order that specifies the products. All orders you submit are subject to acceptance at our corporate headquarters. We reserve the right to reject any order that is not credit approved or does not conform to the provisions of this Agreement. All orders accepted for delivery will be governed exclusively by the terms and conditions of this Agreement. Unless we agree in writing, no additional or different terms and conditions appearing on the face or reverse side of any order you issue will become part of that order. Our acknowledgment of your purchase order will not be acceptance of any additional or different terms and conditions.
- B. Shipments are subject to availability. Upon notice to you, we may schedule and reschedule any order, at our discretion. We may decline any order for credit reasons or because the order specifies an unreasonably large quantity or makes an unreasonable shipment request.
- C. We will use commercially reasonable efforts to meet any scheduled shipment date. However, we will not be liable for delays in meeting a scheduled shipment date for any reason. If products are scarce, we will allocate them equitably, at our discretion, among our customers.
- D. Unless otherwise agreed, the products will be shipped only to your approved facility and only after receipt of an order from you.
- E. We may refuse to ship or delay the shipment of any products on order if you become delinquent in payment of your obligations, exceed established credit lines, fail to meet our other credit or financial requirements or fail to provide financial information when we request. No cancellation, refusal or delay will terminate this Agreement.
- F. All products will be delivered to you F.O.B. origin upon transfer to a common carrier. You will pay all transportation, insurance, rigging and drayage charges.
- G. On delivery of products to carrier, title will pass to you and you will assume responsibility for promptly advising the carrier and insurer of the loss, for filing a claim and for recovery of any sums owed by them to you. Upon request, we will cooperate with you to establish a claim.
- H. You grant to us a security interest in the products and proceeds as security for your obligations under this Agreement. You agree that we may prepare and file all instruments or documents necessary to perfect any

security interest, including a UCC Financing

- I. Statement. Upon request, you will execute and file such instruments or documents as needed. You acknowledge that we may file a copy of this Agreement as a financing statement for that purpose.
- J. You will comply with all of the obligations and requirements imposed upon you by the manufacturers or distributors of the products.
- K. Upon our request, you will provide to us forecasts of your projected purchases of products.

## 6 **RENEWAL, TERMINATION AND STEP-IN RIGHTS**

### 6.1 **Renewal of Franchise.**

6.1.1 **Renewal Franchise Agreement.** If you are not in breach, you may renew the Franchise for periods of ten (10) years under the terms of our then-current Franchise Agreement forms. These forms may vary materially from this Agreement. Royalty Fees and other fees will be set at the then prevailing rates and terms. Your failure or refusal to execute the renewal Franchise Agreement forms within 30 days after delivery to you may be regarded as an election by you not to renew. Upon renewal, the Franchise Territory may be modified and its geographic area may be reduced or expanded to meet our then-current franchise market penetration and demographic standards.

6.1.2 **Additional Conditions for Renewal.** To renew, you must comply with the following additional conditions:

- A. You will exercise your renewal option by giving written notice to us. The notice must be given at least three months, but no earlier than six months, before the end of the franchise term established by this Agreement.
- B. You will pay us a renewal fee in an amount equal to 10% of our then-current Initial Franchise Fee to help defray our time and expenses related to the renewal.
- C. You must execute a general release, in a form we prescribe, following applicable law, to release us from any claims you may have against us.
- D. Before renewal, you and your designated manager (if any) and technician(s) will attend and successfully complete any retraining program we prescribe in writing. This will be done at your expense, including transportation, meals, lodging, and our then-current training fee.
- E. You will refurbish, remodel, and replace the Franchise Office (if a commercial office) and repair or replace the equipment, vehicle(s), and signage to conform to the then-current Operations Manual and System standards.
- F. We may refuse to renew this Agreement if you fail to satisfactorily comply with this Agreement. The determination of satisfactory compliance will be within our exclusive discretion in good faith. If we refuse to renew, you must continue to perform under this Agreement until its expiration.

6.2 **Continuation.** You have no automatic right to continue operation of the Franchise following expiration or termination of this Agreement. If you continue to operate the Franchise with our express or implied consent following the expiration or termination of this Agreement, the continuation will be a month-to-month extension of this Agreement. This Agreement will then be terminable by either party upon 30 days' written notice. Otherwise, all provisions of this Agreement will apply while operations continue. Upon termination of this Agreement under this section, all post-termination covenants and obligations in this Agreement will apply.

### 6.3 **Default and Termination.**

6.3.1 **Default with Opportunity to Cure.** You agree that it will be a default constituting a substantial breach of a material provision of this Agreement pursuant to relevant law, thus establishing good cause for termination of this Agreement and any other franchise and related agreements between the parties if you (or your owners, officers, or

key employees) breach any term or provision of this Agreement and do not cure the breach (or reasonably begin to cure and diligently pursue the cure until the breach is remedied) within 30 days after receipt of our written notice to cure. Termination will occur immediately upon delivery to you of our written notice of termination for failure to cure within the allowed time frame.

6.3.2 Termination Without Opportunity to Cure. You agree that it will be a default constituting a substantial breach of a material provision of this Agreement pursuant to relevant law, thus establishing good cause for us to immediately terminate this Agreement and any other franchise and related agreements between the parties without other cause, and without giving you an opportunity to cure, if you (or your owners, officers, or key employees):

- A. Become insolvent, make a general assignment for the benefit of creditors, have a receiver appointed to administer or take possession of any part of the franchise or your assets, or admit to not being able to meet your obligations as they become due or become bankrupt, or become subject to any chapter of the United States Bankruptcy Code, unless you:
  - 1) timely undertake to reaffirm the obligations under this Agreement;
  - 2) timely comply with all conditions as legally may be imposed by us upon such an undertaking to reaffirm this Agreement; and
  - 3) timely comply with such other conditions and provide such assurances as may be required in relevant provisions of the United States Bankruptcy Code; provided, however, that we and you acknowledge that this Agreement constitutes a personal service contract and that we have relied to a degree and in a manner material to this Agreement upon the personal promises of you and/or your directors, officers, shareholders or partners, as the case may be, to participate personally on a full-time basis in the management and operation of the franchise, and, consequently, we and you agree that any attempt by any other party, including the trustee in bankruptcy or any third party, to assume or to accept an assignment of this Agreement will be void.
- B. Fail to pass the initial training program. (See Section 3.1 above).
- C. Fail to open the Franchise for business by the Opening Deadline. (See Section 4.1 above).
- D. Fail to operate the Franchise continuously and actively for five or more consecutive days or any period for which it would be reasonable under the facts and circumstances for us to conclude that you do not intend to continue the Franchise.
- E. Receive three or more notices to cure defaults during any consecutive 12-month period whether or not you cured such defaults.
- F. On three or more occasions fail to report monthly Gross Revenue on time, understate monthly Gross Revenue by more than 2%, or distort other material information.
- G. Falsify data in reports or intentionally understate Revenue or other information reported to the Franchisor.
- H. Make or have made any material misrepresentation or misstatement on the franchise application or with respect to ownership of the Franchise. If you misrepresented yourself and are a competitor of ours or a competitor of an affiliate of ours, we may keep your entire initial franchise fee, cancel training and terminate this Agreement.
- I. Allow the Franchise, Franchise Office or franchise assets to be seized, taken over, or foreclosed by a creditor, lien holder, or lessor; let a final judgment against you to remain unsatisfied for 30 days (unless a supersedeas or other appeal bond is filed); or allow a levy of execution upon the Franchise or upon any property used in the Franchise, that is not discharged by means other than levy within five days of the levy.
- J. Are convicted of or plead guilty or no contest to a felony, or any other crime that is reasonably likely to adversely affect the System, the Franchise, or the goodwill associated with the Marks (as we determine at our sole discretion).
- K. Within a period of 10 days after notification of noncompliance, fail to comply with any federal, state or local law or regulation applicable to the operation of the Franchise.
- L. Fail to pay any Initial Franchise Fee, Royalty Fee, or any other fees or amounts owed pursuant to this Agreement within five (5) days after receipt of written notice that the fees or amounts are overdue.

- M. Operate the Franchise in a manner that creates an imminent danger to public health or safety.
- N. Fail to comply with any of the confidentiality, non-disclosure, non-diversion of business, or non-competition covenants of this Agreement, including but not limited to obligations and restrictions described in Sections 5.6 and 5.7.
- O. Attempt to transfer all or any portion of this Agreement, the Franchise Office, substantial assets of the Franchise business, or ownership or control of you or to fractionalize any of the rights granted to you pursuant to this Agreement in violation of Section 7.1.
- P. Deny us the right to audit your books and records, inspect the Franchise, or access your electronic devices, computer systems and information, as permitted under this Agreement.
- Q. Engage in any conduct that is reasonably likely, at our sole opinion, to adversely affect the System, the Franchise, or the goodwill associated with the Marks.
- R. Attempt to unilaterally repudiate this Agreement or the performance or observance of any of its terms, conditions, covenants, provisions or obligations by any conduct evidencing your intention to no longer comply with or be bound by this Agreement.
- S. After curing any default after written notice, engage in the same noncompliance whether or not such noncompliance is corrected after notice.

6.3 **Time Frames Subject to Applicable Laws.** The provisions of this Agreement may state periods of notice less than those required by applicable law. They may provide for termination, cancellation, non-renewal or the like other than according to applicable law. They will be extended or modified to comply with applicable law. Also, Franchisor may reinstate or extend the term of this Agreement for the purpose of complying with applicable law by submitting a written notice to Franchisee without waiving any of Franchisor's rights under this Agreement.

6.4 **Certain Post-Termination Obligations.** Substantial damages that are difficult to determine at the date of execution of this Agreement will accrue to us if you do not comply with any of the following requirements upon expiration or termination of this Agreement. Upon expiration or termination of this Agreement, you will:

6.5.1 Immediately cease using the Marks (or any names or marks deceptively similar to them), the Operations Manual and the System.

6.5.2 Return to us all copies of the Operations Manual. Return to us all records, files, instructions, correspondence, and materials in your possession or control related to the System. You will give us a complete and accurate summary of your advertisers, customers and leads, including their names, addresses, telephone numbers and related file records. You will assist us in every way possible to bring about a complete and effective transfer of your franchise business to us or to our designated franchisee.

6.5.3 Authorize business telephone, internet, email, social media providers, electronic network, directory and listing entities to transfer all numbers, email addresses, domain names, locators, directories and listings to us or our designee. Notify them of the termination of your right to use the Franchise names and Marks. You authorize the transfer of your business telephone numbers (including mobile numbers) and directory listings and internet addresses, email addresses, domain names and locators to us or our designated franchisees. You appoint us as your agent and attorney-in-fact to affect the transfer of these telephone numbers and directory listings and domain names and internet directory listings to us. You agree that we will be treated as the subscriber for the telephone numbers, accounts, and directory listings. At our election we will own phone numbers related to your franchise in our own name, and you will cooperate with us in this regard. We will have full authority to instruct the applicable telephone, directory and listing companies on the use and disposition of the telephone listings, accounts, and numbers. You release and indemnify these companies from any damage or loss because they follow our instructions. You will take all reasonable steps we deem necessary or desirable to effectuate any transfer of the above-described listings, numbers, names, addresses, and accounts to us, including execution of an assignment agreement in a form we prescribe.

6.5.4 Pay to us within seven (7) days all Royalty Fees and other sums you owe. These sums will include all damages, costs and expenses, including reasonable attorneys' fees and collection costs, we incur because of your breach. These sums will include all costs and expenses, including reasonable attorneys' fees, we incur in obtaining injunctive, appellate, or other relief to enforce the provisions of this Agreement.

6.5.5 Abide by all provisions of this Agreement that expressly or by reasonable implication are intended to apply after expiration or termination of this Agreement, including provisions related to non-use and non-disclosure of Confidential Information and non-competition. You will immediately return to us all of our Confidential Information you have received, including any items that embody the Confidential Information. You acknowledge that you have no continuing ownership interest in the Confidential Information.

6.5.6 At our option, do some or all of the following:

- A. Remove all Franchise-related equipment, furnishings, and inventory from the Franchise Office;
- B. Sell to us (or our designee) all (or such portion as we designate) of your Franchise-related equipment, supplies, and inventory. The purchase price will be fair market value for equipment, supplies and furnishings, and your invoice cost for inventory less a 10% restocking charge. We will not be liable for payment to you for intangibles, including goodwill;
- C. Assign to us ownership and control of any domain name, website, online presence or account you own or control related to the Franchise;
- D. Sell to us or our designee your interest in the Franchise, the Franchise Office, if any, and all related equipment, vehicle(s), fixtures, signs, real estate leases, equipment leases and personal property. We will have the right to elect this option by written notice to you within 30 days of expiration or termination of this Agreement. If we elect this option, then the parties will make good faith efforts to agree on a purchase price and payment terms within 10 days after such notice. If the parties cannot agree within the 10-day period, then fair value will be determined by a single appraiser selected by you from a list of two appraisers provided by us. Franchisor and Franchisee will equally share the cost of the appraisal. The parties may then present evidence of the value of the Franchise and fair terms for the purchase. The appraiser must exclude from its decision any amount or factor for the "goodwill" or "going concern" value of the Franchise. Any time within 30 days after receiving the appraiser's decision, at our option we may purchase the Franchise and your assets at the price determined by the appraiser. Terms of payment will be 10% of the purchase price payable upon contract signing, the balance payable in 60 equal monthly payments of principal payments with interest calculated at the prime rate, published by your principal bank at time of each monthly principal payment. We will have the right (but not the obligation) to appoint an interim manager to operate the business, for our own account, from the date of expiration or termination of this Agreement until we or our designee acquires the Franchise under this paragraph.

6.5.7 Upon termination for any reason, you will return to us all proprietary and confidential materials, including customer lists and data, keys, codes, signage, advertising and marketing materials, service agreements and other forms, printed files, security codes, and the like as may be described in the Operations Manual. If you fail to return or cease use of any of these items, we may enter your business premises without being guilty of trespass or any other tort to remove and retain the items. You will pay to us, on demand, any expenses we incur in trying to remove or collect such items or in attempting to have you cease use of them.

6.5.8 Damages and Liquidated Damages. Upon termination pursuant to any default by Franchisee, Franchisee agrees to pay Franchisor, all actual and consequential damages and any costs and expenses (including reasonable attorneys' fees) incurred by Franchisor as a result of such default and termination. Franchisee acknowledges and agrees that it does not have the right to terminate this Agreement, except as provided in Section 6.2, or as otherwise agreed in writing by the parties, and that any termination of this Agreement by Franchisee that is not in accordance

with the terms of Section 6.2, or any termination of this Agreement by Franchisor in accordance with its terms, may result in lost future revenue and profits to Franchisor, harm to the goodwill associated with the Marks, and increased costs to Franchisor to re-develop or re-franchise the market in which the Franchise is located.

Accordingly, in the event that Franchisee terminates this Agreement other than in accordance with the terms of Section 6.2, or if Franchisor terminates this Agreement pursuant to its terms, then Franchisee shall pay to Franchisor within fifteen (15) days of such termination as liquidated damages, (and not as a penalty), an amount equal to Royalty Fees and other ongoing fees Franchisee should have paid, had this Agreement not be terminated, for the lesser of (1) 12 months, or (2) the number of months remaining on the term of this Agreement. Such payment will be calculated based on the average Royalty Fees and other ongoing fees Franchisee paid (or if unpaid, payable) during the immediately preceding 12-month period (or shorter period if you will have operated for less than 12 months).

The parties hereby acknowledge and agree that the actual damages that would be incurred by Franchisor in the event of any breach or early termination of this Agreement by Franchisee would be difficult to calculate and that the liquidated damages provided for in this Agreement are fair and reasonable under the circumstances. The parties further acknowledge and agree that the liquidated damages specified in this Section are only intended to compensate Franchisor for the early termination of this Agreement and Franchisor's loss of revenue resulting therefrom, but not for any other breach of this Agreement by Franchisee or any other damages incurred by Franchisor, and all remedies applicable thereto remain available to Franchisor

**6.5 We May Assign Franchise Territory Upon Termination.** Upon expiration or termination of this Agreement, we may immediately license or franchise the Franchise Territory to another person or may operate businesses of the type you operated (i.e., GoMobile Tires or GoMobile Detail) within the Franchise Territory.

**6.7 Post-Term Non-Competition Covenant.** This covenant will apply for two years after termination, expiration or transfer of this Agreement. In express consideration for this Agreement, you will assure that you and your owners, LLC managers, directors, officers, successors, agents, and others occupying similar positions will not directly or indirectly (such as through another individual or entity or otherwise) participate as an owner, director, officer, employee, consultant, franchisor, licensor, franchisee, licensee, distributor, advisor or agent, or serve in any other capacity in any vehicle tire business (mobile or non-mobile) that replaces customers' tires and/or wheels, or any vehicle detailing business (mobile or non-mobile), or any business that offers products or services that are essentially the same as, or substantially similar to, the products and services that are part of the System (defined broadly in this instance to include the Systems for both GoMobile Tires and GoMobile Detail regardless of the type of franchise you operate). This covenant applies within the Franchise Territory, within a 50-mile radius of the Franchise Territory, and within a 50-mile radius of any location or franchise territory where we operate or have granted the franchise to operate a GoMobile Tires or GoMobile Detail business. We may waive this covenant only in writing.

**6.8 Interim Management.** To protect the System, the Marks, the Confidential Information, and the goodwill associated with the same, Franchisor may (but is not obligated to) assume interim management of the Franchise for any of the following reasons: (a) after Franchisor has given Franchisee written notice that Franchisee is in default under this Agreement and during the pendency of any cure period or in lieu of immediately terminating this Agreement; (b) you are absent or incapacitated because of illness or death; (c) your business activities are having, or are likely to have, a negative impact upon the value of our Marks, goodwill, or the franchise system (as we determine at our sole discretion); or (d) we determine that significant operational problems require us to temporarily operate the Franchise. If Franchisor elects to assume interim management of the Franchise, then: (i) Franchisor's election will not relieve Franchisee of Franchisee's obligations under this Agreement; (ii) Franchisor will not be liable for any debts, losses, costs or expenses incurred in the operation of the Franchise during any interim management period; (iii) Franchisor will have the right to charge a reasonable fee for the management services; and (iv)

Franchisee hereby agrees to indemnify, defend and hold harmless Franchisor and its interim manager(s) from and against any and all claims, demands, judgments, fines, losses, liabilities, costs, amounts paid in settlement and reasonable expenses (including, but not limited to attorneys' fees) incurred in connection with the interim management of the Franchise, other than those arising solely from the gross negligence or willful misconduct of Franchisor.

6.9 **Customers Upon Termination.** All customer lists, data, and information are proprietary to Franchisor during and after the term of this Agreement. Therefore, despite any contrary provision in this Agreement, upon expiration or termination of this Agreement for any reason, all customers that you serviced during the term of this Agreement revert to us, and you will no longer have the right to service those customers in any manner or at any time. You will take all reasonable steps we require to effectuate any transfer of the same to us, including execution of an assignment agreement in a form we prescribe.

## 7 **TRANSFER**

### 7.1 **Transfer by You.**

7.1.1 We enter this Agreement, in part, in reliance upon the individual or collective character, skill, attitude, business ability and financial capacity of you (or your owners if you are a business entity). Your rights and obligations under this Agreement are exclusive to you. Except as expressly permitted by this Agreement, you, your owners and others claiming an interest in the Franchise shall not voluntarily or involuntarily sell, transfer, assign, encumber, give, lease, or sublease, or allow any other person to conduct business in or through (collectively called "Transfer") the whole or any part of: (1) this Agreement; (2) the Franchise Office; (3) substantial assets of the Franchise business; (4) ownership or control of Franchisee. Any attempted Transfer without our prior written consent will be a breach of this Agreement.

7.1.2 We need not consent to any proposed Transfer before the date the Franchise opens for business; or to a competitor of ours; or if we reasonably believe the purchase price is excessive or if we believe based upon a review of the transferee's operational and business plans that the transferee's business operations might not be beneficial on a cash flow or financial basis (because we will have a strong and vested interest in the financial viability and ongoing management abilities of the transferee).

7.1.3 You recognize that there are many subjective factors that comprise the process by which we select a suitable franchise owner. While we will exercise our discretion reasonably, our consent to a Transfer by you will remain a subjective determination and will include, but not be limited to, the following conditions. Before the effective date of a Transfer, we approve:

- A. The transferee must assume your Franchise obligations. You will remain bound by all covenants in this Agreement that expressly or by reasonable implication are intended to apply after Transfer of your Franchise rights, including covenants related to non-use and non-disclosure of Confidential Information, post-term non-competition, non-use of the Marks, and similar covenants.
- B. You will pay all ascertained or liquidated debts concerning the Franchise.
- C. You may not be in breach of this Agreement or any other agreement between the parties.
- D. The transferee will pay for and complete to our exclusive satisfaction the training programs we then require of new franchisees or otherwise show to our satisfaction sufficient ability to successfully operate the Franchise.
- E. You or the transferee will pay a Transfer Fee of 50% of our then-current Initial Franchise Fee (or \$2,500 if the owners of an entity franchisee are transferring less than 20% of the ownership interest in the entity).

This fee will reimburse us for our reasonable legal, accounting, credit check, and investigation expenses that result from the Transfer, as well as the mandatory training program for the transferee (as applicable).

- F. You will pay us a 10% commission on the gross Transfer price (excluding the price of real property) if we obtain the transferee for you.
- G. The transferee will execute all documents we then require of new franchisees. This includes a new franchise agreement in the form we then are using. The new franchise agreement may contain economic and general terms that are materially different from those contained in this Agreement. The term of the new agreement will be for the unexpired term of this Agreement or for a new full term as we will elect. You must ask us to provide the prospective purchaser with our current form of disclosure document required by the applicable federal or provincial/state registration and disclosure laws. We will not be liable for any representations you make apart from those contained in our disclosure document.
- H. The transferee will meet our standards for quality of character, financial capacity, and experience required of a new or renewing franchisee. You will provide information we require to prove the transferee meets our standards.
- I. If permitted by applicable law, you and your owners, LLC managers, officers, directors, and individuals occupying similar positions will execute a general release in our favor. The release will be in a form we prescribe, following applicable law, to release any claims you may have against us and our parent, subsidiaries, affiliates, owners, officers, directors, agents, representatives, and employees. This will include claims arising under federal, state and local laws, rules and ordinances arising out of, or connected with, the offer, sell and performance of this Agreement or any other agreement between the parties.
- J. If the Initial Franchise Fee has not yet been paid in full, it must be paid in full prior to the date of Transfer.
- K. If the lease or sublease for the Franchise Premise requires, the lessor or sublessor must have consented to the assignment or sublease of the Franchise Office to the transferee. All fixtures, furnishings and equipment at the Franchise Office must be in good working order and free of operational defects. It will be your responsibility to bring all fixtures, furnishings and equipment to proper working order before the date of Transfer.
- L. You will enter into an agreement to subordinate, to the transferee's obligations to us (including the payment of all franchise fees), any obligations of the transferee to make installment payments of the purchase price to you. The form of this subordination is subject to our approval.
- M. You will deliver to the purchaser the Operations Manual and all other manuals and materials we provided to you for use in the Franchise, including all materials bearing the Marks and our advertising, promotional and training materials.
- N. You or the transferee will refurbish, remodel, and replace the Franchise Office (if a commercial office) and repair or replace fixtures, equipment, vehicle(s) and signage to conform to the then-current Operations Manual and System standards.

7.1.4 Upon our granting of approval for the Transfer, you will ensure that the Transfer is effected in compliance with the requirements of all federal, state, and local laws, including applicable tax and bulk sales legislation, and with the applicable requirements of the lease of the Franchise Office.

7.1.5 With our prior written consent, you may Transfer your rights and obligations under this Agreement to a business entity in which you continuously own 100% of the issued and outstanding shares of each class of stock or other evidence of ownership. The entity must be newly organized with its activities confined exclusively to act as the Franchisee under this Agreement. The entity must agree in writing to be bound by the terms of this Agreement. You will remain a party to this Agreement and therefore personally, jointly and severally liable in all respects under this Agreement.

7.1.6 You may offer your securities or partnership interests to the public, by private offering, or otherwise, only

with our prior written consent. Consent may not be unreasonably withheld. All materials required for the offering by federal or state law will be submitted to us for review before filing with any government agency. Any materials to be used in any exempt offering will be submitted to us for review prior to their use. No offering by you will imply (by use of the Marks or otherwise) that we are participating in an underwriting, issuance, or offering of your securities. You and all other participants in the offering must fully indemnify us concerning the offering. For each proposed offering, you will pay to us the amount necessary to reimburse us for our reasonable costs and expenses associated with reviewing the proposed offering, including, legal and accounting fees. You will give us at least 60 days' written notice before the effective date of any offering or other transaction covered by this subsection.

7.1.7 You may not grant sub-franchises or similar franchise rights to others.

7.1.8 Our consent to a proposed Transfer will not be a waiver of any claims we may have against you or your owners, or a waiver of our right to demand exact compliance with this Agreement. Our consent to a Transfer will not constitute or be interpreted as consent for any future Transfer.

7.1.9 You will comply with and help us to comply with any laws that apply to the Transfer, including state and federal laws governing the offer and sale of franchises.

7.1.10 If you are a business entity, your ownership certificates and/or operating agreements will clearly state that assignment or transfer of ownership interests is subject to the restrictions imposed upon assignments by this Agreement.

## 7.2 **Transfer by Us.**

7.2.1 We shall have the right to sell all or any part of our assets, including the Marks or other intellectual property, and our interest in, and rights and obligations under this Agreement in our sole discretion. Without limiting the generality of the foregoing, we may sell the System to one or more third parties, may go public, may engage in a placement of some or all of our securities, may merge, acquire other entities or be acquired by other entities, or may undertake a refinancing, recapitalization, re-organization, leveraged buyout or other economic or financial restructuring. We will not be required to remain in any particular form of business.

7.2.2 As for any or all of these sales, assignments and dispositions, you waive any claims, demands or damages arising from or related to the loss of the Marks (or any variation of them) or the loss of association with or identification as part of our franchise system.

## 7.3 **Your Death or Disability.**

7.3.1 In the case of your death or permanent disability or incapacity (such that you are unable to perform your functions as franchisee as determined by Franchisor at its reasonable discretion) if you are an individual, or of any general partner of you if you are a partnership, or of any member or shareholder owning 50% or more of you if you are a limited liability company or corporation or other entity ("**Death or Disability**"), the executor, administrator, conservator, or other personal representative of the deceased or permanently disabled person, or the remaining owners, must appoint a competent manager within a reasonable time, not to exceed 30 days after the date of death or permanent disability. The appointment of this manager is subject to satisfactory completion of our required training program(s). While your Franchise is not being managed by such a manager, we may, but are not required

to, immediately appoint an interim manager to maintain the operations of the Franchise for and on your behalf until an approved assignee is able to assume the management and operation of the Franchise. Our appointment of an interim manager of the Franchise does not relieve you of your obligations, and we are not liable for any debts, losses, costs, or expenses incurred in the operations of the Franchise (including but not limited to rent or other charges owing on the lease for the Franchise Office) or to any of your creditors for any products, materials, supplies, or services purchased by the Franchise while it is managed by a franchisor-appointed interim manager. You agree to hold us and our interim manager harmless for all acts, omissions, damages, or liabilities arising during operation by an interim manager. Operation of the franchise by an interim manager will not operate as an assignment to us of the lease or sublease, if any, for the Franchise Office. We may charge a reasonable fee for management services and may cease to provide management services at any time. You agree to pay our reasonable legal and accounting fees and costs we incur because of our exercise of these rights.

7.3.2 Besides the right to appoint a temporary manager as described above, the following will apply in case of your death, disability or incapacity (or of your majority owner or managing owner if you are a business entity). Within 180 days of the event, the heirs, beneficiaries, devisees or legal representatives of that individual may:

- A. Apply to us for the right to continue to operate the Franchise for the duration of the term of this Agreement. The right to continue will be granted upon the fulfillment of all of the conditions set forth in Section 7.1, except that no transfer fee will be required; or
- B. Transfer your interest according to the provisions of Section 7.1. If a proper and timely application for the right to continue to operate has been made and rejected, the 180 days within which to transfer will be computed from the date of rejection.

7.3.3 If a suitable transferee purchaser is not found within 180 days from the date of death, disability or incapacity, we may at our sole option enter into a contract to purchase the Franchise. We will have the right to elect this option by written notice to you within 60 days of the expiration of the 180-day period. If we elect this option, then the parties will make good faith efforts to agree on a purchase price and payment terms within 10 days after such notice. If the parties cannot agree within the 10-day period, then fair value will be determined by a single appraiser selected by you from a list of two appraisers provided by us. Franchisor and Franchisee will equally share the cost of the appraisal. The parties may then present evidence of the value of the Franchise and fair terms for the purchase. The appraiser may include in its decision a factor for the "goodwill" or "going concern" value of the Franchise. Any time within 30 days after receiving the appraiser's decision, at our option, we may purchase the Franchise and your assets at the price and upon the terms determined by the appraiser. Terms of payment will be 10% of the purchase price payable upon contract signing, the balance payable in 60 equal monthly payments of principal payments with interest calculated at the prime rate published by our principal bank at time of execution of the purchase contracts.

7.3.4 If the provisions of this Section 7.3 have not been fulfilled within the time provided, at our option, all rights licensed to you under this Agreement will immediately terminate and revert to us.

#### 7.4 **First Right of Purchase.**

7.4.1 Before soliciting offers from others, you will notify us in writing if you desire to effectuate a Transfer (defined in Section 7.1). You will give us sufficient information and documentation to allow us to analyze the status and value of your business. We will notify you of our election or waiver of our option to purchase within 30 days after our receipt of your written notification and due diligence information. Our failure to notify you within the 30-day period

will be deemed a waiver of our option. If we offer you an amount that you do not agree to, you may try to sell to a third party but on no better terms for the purchaser than we offered to you. If you later receive an offer from a third-party purchaser on better terms than we offered to you, you are obligated to re-offer to us pursuant to Section 7.5 (Right of First Refusal). Before any Transfer, you must comply with Section 7.1 (Transfer by You) and Section 7.5 (Right of First Refusal). If you do not complete a transaction with a third party within six months, you agree we will again have the right of first purchase before any subsequent contemplated transaction (notwithstanding any prior waiver).

7.4.2 We may elect to purchase all of the franchise business regardless of your intent to sell, assign or transfer a lesser interest. We can choose to pay the purchase price in cash up front or by industry- standard monthly payments that amortize the principal amount with interest calculated at the prime rate plus 1% as of the date of purchase.

## 7.5 **Right of First Refusal.**

7.5.1 If you receive a bona fide offer from a third party acting at arm's length to purchase the Franchise, a majority interest in ownership of you, or substantially all of the assets of the Franchise, which offer is acceptable to you or to your owners, we will have the right of first refusal to purchase at the bona fide price on the same terms and conditions as offered to you. We may substitute cash for any other form of consideration contained in the offer. Our credit will be deemed to be equal to the credit of any proposed purchaser. At our option, we may pay the entire purchase price at closing. Within 10 days after receipt by you of an acceptable bona fide offer, you will notify us in writing of the terms and conditions of the offer. You will give us sufficient information and documentation to allow us to analyze the status and value of your business. We may exercise this right of first refusal within 30 days after receipt of notice from you and due diligence information.

7.5.2 If the interest which is the subject of the third party's offer involves less than all of the ownership interest, then in our sole option, our right of first refusal will apply to the entire ownership interest. In such case, the consideration to be received, as set forth in the offer shall be divided by the percentage interest subject to the offer and the resulting quotient shall be the price to be paid for the entire ownership interest. Terms and conditions for the purchase of the entire ownership interest shall be as similar to the terms and conditions set forth in the offer as practicable, except for the substitute provisions noted above in this subsection.

7.5.3 If we do not exercise our right of first refusal within the 30-day period, you may make the proposed transfer to a third party. The transfer will not be at a lower price nor on more favorable terms than disclosed to us. Any transfer will be subject to Section 7.1 (Transfer by You). If the Franchise is not transferred by you within six months from the date it is offered to us, or if any material change is made in the terms of the proposed sale, then you must re-offer to transfer to us before a transfer to a third party.

## 8 **INDEMNIFICATION, INSURANCE, CONDEMNATION AND CASUALTY**

### 8.1 **Indemnification.**

8.1.1 Franchisee shall defend, hold harmless and indemnify Franchisor, its officers, directors, owners, agents, representatives, employees, landlords, related companies, and assigns (each an "**Indemnified Party**" and collectively "**Indemnified Parties**") from any and all losses, claims, damages, liabilities, or expenses of any kind or nature, including fines, penalties, interest, attorneys' fees, and all othertypes of costs or expenses (collectively "**Claims**"), arising directly or indirectly from the establishment or operation of the franchise business, the Franchise Office, and the acts or omissions (whether or not negligent or wrongful) of Franchisee or of any of Franchisee's manager(s), employees, agents, or representatives in connection with the performance or breach of any obligation

under this Agreement. This indemnity will apply to claims that we (or one or more other Franchisor Indemnified Parties) were negligent or failed to train, supervise or discipline you, and to claims that you, your owners, employees, brokers or your independent contractors are our (or another Indemnified Party's) employees, agents are part of a common enterprise with us (or another Indemnified Party), including claims regarding violations of labor or employment laws or regulations. The obligations under this Section shall survive the expiration or termination of this Agreement.

8.1.2 You will defend the Indemnified Parties at your own expense in any legal or administrative proceeding subject to this Section 8.1. The defense will be conducted by attorneys we approve. Our approval will not be unreasonably withheld. You will immediately pay and discharge any liability rendered against any Indemnified Party in any proceeding, including any settlement that we approve in writing. You will not settle any claim against any Indemnified Party without our prior written approval. In our sole discretion and upon prior written notice to you, we may settle or defend any claims against any Indemnified Party at your expense, including attorneys' fees that we pay or incur in settling or defending. Promptly upon demand, you will reimburse us for any and all legal and other expenses we reasonably incur in investigating, preparing, defending, settling, compromising or paying any settlement or claim, including monies that we pay or incur in settling or defending such proceeding.

## 8.2 **Insurance.**

8.2.1 During the term of this Agreement, Franchisee shall maintain in force policies of insurance with the following minimum limits of coverage for each Franchise, issued by licensed insurers approved by Franchisor:

- A. Broad form commercial general liability coverage, on an occurrence form (including premises and operations, products and completed operations, personal & advertising injury, broad form contractual, and employers' liability), against claims for bodily injury, personal injury, including death, and property damage with minimum limits of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate for each coverage;
- B. All risk property insurance including equipment breakdown for the full replacement cost sufficient to cover all business personal property including contents, leasehold improvements, furniture, fixtures, equipment, and signs;
- C. Loss of income including extra expense insurance with sufficient limits to cover all ongoing expenses, including, future profits, royalty fees, advertising contributions, ordinary payroll for competent personnel and other fixed expenses for a minimum of 24 months from the date of loss;
- D. Plate glass insurance (if applicable);
- E. Worker's compensation and employer's liability insurance in statutory amounts;
- F. Unemployment insurance and state disability as required by governing laws;
- G. Business automobile liability, including bodily injury and property damage coverage for all owned, non-owned and hired vehicles, with limits of not less than \$1,000,000 for injuries to persons resulting from any one accident, and \$500,000 for property damage resulting from any one accident;
- H. Commercial umbrella liability insurance with limits not less than \$2,000,000 each occurrence. The umbrella liability will be on a following form basis of the underlying policies (commercial general liability, premises and operations, products and completed operations, personal and advertising injury, automobile and employers' liability);
- I. Blanket employee dishonesty coverage with minimum limits of not less than \$50,000;
- J. Monies and securities (crime) coverage with limits of not less than \$10,000 inside limit and \$5,000 outside limit; and
- K. Cyber and privacy liability with minimum limits of \$30,000 including, crisis management and data extortion expense.

8.2.2 Franchisee shall also maintain such additional insurance as is necessary to comply with all legal

requirements concerning insurance as well as any other insurance required by Franchisee's landlord. Franchisor may periodically increase the amounts of coverage required under such insurance policies and require different or additional kinds of insurance at any time (upon 60 days' advance notice), including higher liability limits, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances.

8.2.3 Each insurance policy shall: (1) name Franchisor and each of its affiliates, directors, agents and employees (as may be specified by Franchisor) as additional insureds (except for worker's compensation and employer's liability insurance coverage) on a primary, non-contributory basis and provide a waiver of subrogation rights against Franchisor; (2) provide for 30 days' prior written notice to us of any material modification, cancellation, or expiration of the policy; and (3) provide that coverage applies separately to each insured. In the case of property insurance, the Franchisor parties shall be named as their interests may appear. Insurance carriers must be authorized to do business in the state where your Franchise Office is located, be rated at least A-X with A.M. Best and approved by us. At our discretion, we may require you to purchase your insurance from a specific insurance carrier. Upon request, you must provide us with proof of insurance in compliance with this Agreement.

8.2.4 Certificates shall provide 30 days' notice prior written notice to Franchisor of any material modification, cancellation, or expiration of the policy, and due in our office 30 days prior to expiration and coverages listed above.

8.2.5 Franchisee shall provide Franchisor with evidence of the insurance required at least fifteen (15) days before the Franchise opens. Franchisee shall provide Franchisor with a complete copy of each insurance policy no later than thirty (30) days after delivery of the original proof of insurance, if required by Franchisor. Prior to the expiration of each insurance policy term, Franchisee shall furnish Franchisor with evidence of each renewal or replacement insurance policy to be maintained by Franchisee for the immediately following term and evidence of the payment of the premium thereof. If Franchisee fails or refuses to maintain required insurance coverage or to furnish satisfactory evidence thereof and the payment of the premiums thereof, Franchisor may, at Franchisor's option, and in addition to Franchisor's other rights and remedies hereunder, obtain such insurance coverage on Franchisee's behalf and Franchisee shall fully cooperate with Franchisor in its effort to obtain such insurance policies, promptly execute all forms or instruments required to obtain or maintain any such insurance, allow any inspections of the Franchise Office which are required to obtain or maintain such insurance and pay to Franchisor on demand any costs and premiums incurred by Franchisor. If Franchisee fails to purchase or maintain any insurance required by this Agreement or fails to reimburse Franchisor for its purchase of insurance on Franchisee's behalf within fifteen (15) days of delivery to Franchisee of Franchisor's written demand for reimbursement, then Franchisor may terminate this Agreement upon notice of termination without opportunity to cure.

8.2.6 The maintenance of sufficient insurance coverage shall be Franchisee's responsibility. Nothing contained in this Agreement will be construed as a representation or warranty by us that the minimum insurance coverage we specify will insure you against all insurable risks or amounts of loss that may or can arise out of or in connection with the operation of your franchise business.

8.2.7 Franchisee's obligations to maintain insurance coverage as herein described shall not be affected in any manner by reason of any separate insurance maintained by Franchisor nor shall the maintenance of such insurance relieve Franchisee of any indemnification obligations under this Agreement.

8.3 **Condemnation.** You will give us notice of any proposed taking through the exercise of the power of eminent domain within 10 days of your first knowledge of the proposed taking. If the Franchise Office or a substantial part of it is to be taken, the Franchise Office may be relocated within the Franchise Territory or elsewhere with our prior written approval. The relocated premises may not infringe on the protected rights of any other franchisee pursuant to our specifications and contractual obligations. Relocation must be completed and franchise business operations

recommended within a reasonable time after the closing of the initial Franchise Office (but in any event, within one year after closing of the Franchise Office). The new franchise location will become the Franchise Office licensed under this Agreement. If a condemnation takes place and a new franchise location does not open within the timeframe prescribed above, then Franchisor may terminate this Agreement effective 30 days after written notice to you.

#### 8.4 **Casualty.**

8.4.1 If the franchise vehicle is damaged by fire or other casualty, you will repair the damage as soon as commercially practicable. If the damage or repair requires the cessation of franchise operations, you will:

- A. immediately notify us;
- B. repair or replace vehicle following our specifications; and
- C. re-open the Franchise for continuous business operations as soon as commercially practicable (but in any event, within 90 days after the casualty event). You will give us advance notice of the date of reopening.

8.4.2 If the Franchise does not re-open within 90 days, then Franchisor may terminate this Agreement effective 30 days after written notice to you.

8.5 **Proceeds From Insurance.** The proceeds from any business interruption insurance you receive will be included in Gross Revenue.

### 9 **MISCELLANEOUS**

#### 9.1 **Notices.**

9.1.1 All notices required by this Agreement will be in writing. They may be sent by certified or registered mail, postage prepaid and return receipt requested. They may be delivered by Federal Express, or other reputable air courier service, requesting delivery with receipt on the next business day. They may be sent by e-mail (provided that the sender confirms the e-mail by sending an original confirmation copy by expedited delivery service or certified or registered mail within three business days after transmission). Notices will be delivered to you at the Franchise Office, to us at our headquarters or to other locations specified in writing. Notices may be delivered and receipted to you personally at any location.

9.1.2 Notices sent by certified or registered mail will be deemed to have been delivered and received three business days following the date of mailing. Notices sent by Federal Express, or other reputable air courier service will be deemed to have been received one business day after placement requesting delivery on the next business day. Notices sent by e-mail will be deemed to have been delivered upon transmission (provided confirmation is sent by expedited delivery service or registered or certified mail as provided above).

9.2 **Business Name.** You will execute any documents we may direct, to be retained by us until this Agreement ends, to evidence that you abandon, relinquish, and terminate your right or interest you may claim in or to the Marks.

#### 9.3 **Relationship of the Parties.**

9.3.1 **Independent Contractor Relationship.** You are and will remain an independent contractor. You and we are not and will never be considered joint venturers, partners, employees, or agents one for the other. Neither will have the power to bind nor obligate the other except as otherwise outlined in this Agreement. No representation will be

made by either party to anyone that would create any apparent agency, employment, or partnership. Each will hold the other safe and harmless from each other's debts, acts, omissions, liabilities, and representations. You acknowledge that you are not in a fiduciary relationship with us.

9.3.2 **Display.** In all public and private records, documents, relationships, and dealings, you will show that you are an independent owner of the Franchise. You will prominently indicate on your letterheads, business forms, business cards, email signatures and similar mediums that you are our licensed franchisee by using language saying that you operate an independently owned Franchise. You will prominently display, by posting of a sign within public view, on or in the Franchise Office (if a customer-facing commercial office) and on your franchise vehicle(s) (if we so require), a statement that clearly indicates that your franchise business is independently owned and operated by you as a franchisee and not as our agent.

9.3.3 **Your Employees.**

- A. We will not directly control (hire, fire, schedule, direct, supervise, discipline, or set wages for) your employees.
- B. Franchisee agrees to be solely responsible for all employment decisions and to comply with all state, federal, and local labor laws and functions of the franchise business, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, scheduling, supervision, and discipline of employees, paid or unpaid, full or part-time, and its independent consultants.
- C. You will maintain employee records to show clearly that you and your employees are not our employees.
- D. You are responsible for any employee wages and compensation, payroll taxes and other required withholding, worker's compensation and benefits. You must display your entire business entity's name, not just the licensed brand, on your payroll checks.
- E. You will indemnify, defend, and hold us legally harmless from any of your violations of federal, state or local labor laws or similar laws. You acknowledge that you have had ample opportunity to investigate these and other laws applicable to your business with your own independent legal counsel before signing this Agreement.
- F. You must place a prominent, boldface statement at the top of your employee applications that the applicant is applying to work for you, not for us. We do not provide sample employment applications for your use with your employees. You should acquire such forms from independent sources of your choice.
- G. We do not post job openings at your franchise on our website or otherwise. We do not coordinate the sharing of employees among franchisees.
- H. We do not provide sample employee handbooks for your use with your employees. You should develop these with independent sources of your choice.

9.3.4 **Email Accounts.** You must include in your email signature in each email communication the following language or similar language as we may direct: "[your corporate entity or individual name] independently owns and operates this [GoMobile Tires / GoMobile Detail] franchise."

9.4 **Waiver.** A waiver of any breach of any provision, term, covenant, or condition of this Agreement will not be a waiver of any subsequent breach of the same or any other provision, term, covenant, or condition. Any waiver of any provision of this Agreement must be set forth in writing and signed by the party granting the waiver. Customs or practices of the parties in variance with the terms of this Agreement will not constitute a waiver of our right to demand exact compliance with the terms of this Agreement. Our delay, waiver, forbearance, or omission to exercise any power or rights arising out of any breach or default by you of any of the terms, provisions, or covenants of this Agreement, will not affect or impair our rights and will not constitute a waiver by us of any right or of the right to declare any subsequent breach or default. Our subsequent acceptance of any payment due to us will not be deemed to be a waiver by us of any preceding breach by you of any terms, covenants or conditions of this Agreement.

9.5 **Time Is of the Essence.** Time is of the essence of this Agreement.

9.6 **Documents.** You and your owners, officers, and directors agree to execute and deliver any documents that may be necessary or appropriate during the term and upon expiration or termination of this Agreement to carry out the purposes and intent of this Agreement. Upon the expiration, termination or transfer of this Agreement, if you do not execute any document necessary in our judgment to comply with the requirements of this Agreement, then by this Agreement, you irrevocably nominate, constitute and appoint the person then serving as our President, Managing Member, LLC Manager or similar position as your attorney-in-fact to so execute that document in your name and on your behalf.

9.7 **Construction.**

9.7.1 **Entire Agreement.** This document, including any exhibits attached to this Agreement and the documents referred to in this Agreement, will be construed together and constitute the entire agreement between the parties. Except as expressly and otherwise provided in this Agreement, this Agreement may be modified only by a written instrument signed by the parties. No previous communications, negotiations, course of dealing or usage in the trade not specifically set forth in this Agreement will be admissible to explain, modify, or contradict this Agreement. Nothing in the Agreement is intended to disclaim the representations we made in the franchise disclosure document that we delivered to you.

9.7.2 **Format.** All words in this Agreement include any number or gender as the context or sense of this Agreement requires. The words "will" and "must" used in this Agreement indicate a mandatory obligation. In this Agreement, *including* means "including but not limited to" unless expressly stated otherwise. All captions and headings are for reference purposes only and are not part of this Agreement. The recitals set forth in this Agreement are specifically incorporated into and constitute a part of the terms of this Agreement.

9.7.3 **Interpretation.**

9.7.3.1 The rule of construction that a written agreement is construed against the party preparing or drafting such agreement will specifically not be applicable to the interpretation of this Agreement.

9.7.3.2 If applicable law implies a covenant of good faith and fair dealing in this Agreement, the parties agree that covenant will not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement.

9.7.3.3 If there is any typographical, word processing, printing or copying error in this Agreement, the error will be interpreted and corrected consistent with the following order of interpretation:

- A. The content and expressed intent and exhibits of our franchise disclosure document previously delivered to you.
- B. The content and expressed intent of franchise agreements we have executed without other franchises within the same reasonable timeframe to this Agreement.

9.7.4 **Severability.** If any part of this Agreement is declared invalid, that declaration will not affect the validity of the remaining portion, which will remain in full force and effect as if this Agreement had been executed with the invalid portion omitted. Provided, however, that if Franchisor determines that the finding of invalidity materially and adversely affects the basic consideration of this Agreement, Franchisor may, at its option, terminate this Agreement.

## 9.8 **Additional Provisions Regarding Covenants.**

9.8.1 **Your Acknowledgments.** You acknowledge the following regarding the covenants in Section 5.6 (Confidential Information), Section 5.7 (In-Term Non-Competition Covenant), and 6.7 (Post-Termination Non-Competition Covenant): (1) the time, content and geographical restrictions are fair and reasonable; (2) your observance of the covenants will not cause you any undue hardship or impair your ability to obtain employment commensurate with your abilities; and (3) your knowledge of the System would cause our franchise system serious injury and loss if you use the knowledge to the benefit of a competitor or to compete with us or our franchisees.

9.8.2 **Lawful Scope.** If, for any reason, any provision set forth in Section 5.6 (Confidential Information), Section 5.7 (In-Term Non-Competition Covenant), 6.7 (Post-Termination Non-Competition Covenant), or any similar covenant in this Agreement exceeds any lawful scope or limit as to duration, geographic coverage, or otherwise, it is agreed that the provision will nevertheless be binding to the full scope or limit allowed by law or by a court of law. The duration, geographic coverage and scope allowable by law or court of law shall apply to such Sections as if the resulting covenant were separately stated in this Agreement. You further acknowledge and agree that we will have the right, at our sole discretion, to reduce the scope of any of the aforementioned covenants. We may do so without your consent, effective immediately upon our written notice to you. You must comply with any covenant that pertains to you as we so modify it.

9.8.3 **Damages.** You agree that a violation of any of your confidentiality or non-competition covenants will entitle us, in addition to all other remedies available at law or equity, to recover from you any and all funds, including wages, salary, and profits, received by you in connection with such violation, which will be held by you in constructive trust for us.

## 9.9 **Dispute Resolution and Enforcement.**

9.9.1 **Disputes.** The mediation provisions of this Agreement do not apply to controversies, disputes, or claims related to or based on (1) improper use of the Marks [including those based on the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051, et seq.)] or any of the Franchisor's other intellectual property; (2) the violation by Franchisee (or any related individual or entity) of any of the restrictive covenants in this Agreement, which include but are not limited to restrictive covenants under the following sections of this Agreement: Section 5.6 (Confidential Information); Section 5.7 (In-Term Non-Competition Covenant); and Section 6.7 (Post-Term Non-Competition Covenant); or (3) collection of delinquent payments from you. The mediation provisions of this Agreement shall apply to all other controversies, disputes, or claims between the parties (and/or their respective affiliates, owners, officers, directors, LLC managers, agents, guarantors, and/or employees) arising out of or related to: (a) this Agreement or any other agreement between Franchisee and Franchisor; (b) the franchise relationship between Franchisor and Franchisee; (c) the offer and sale of the Franchise; (d) the validity of this Agreement or any other agreement between Franchisee and Franchisor; or (e) any System standard (referred to herein as "**Disputes**").

9.9.2 **Mediation.** Before taking any other legal action, the parties agree to participate in good faith mediation in accordance with the mediation procedures of the American Arbitration Association or of any similar organization that specializes in the mediation of commercial business disputes. The party demanding mediation must provide written notice to the other party of the demand for mediation. If the other party does not respond to the mediation demand within 30 days of written notice, or indicates a refusal to participate in mediation, then the party providing notice may proceed with other forms of dispute resolution. The parties agree to equally share the costs of mediation. Injunctive relief and or claims of specific performance sought pursuant to or authorized by this Agreement, are not subject to, nor can be avoided by, the mediation terms of this Agreement, and may be brought in any court of competent jurisdiction.

9.9.3 Injunctive Relief and Specific Performance. No provision in this Agreement will limit either party's right to seek and obtain in any court of competent jurisdiction specific performance and injunctive relief to restrain a violation by the other party of any term or covenant of this Agreement. Without limiting the generality of the foregoing, you acknowledge that any violation by you of the covenants in Section 5.6 (Confidential Information), Section 5.7 (In-Term Non-Competition Covenant), Section 6.7 (Post-Termination Non-Competition Covenant), or similar covenants in this Agreement would result in irreparable injury to us for which no adequate remedy at law may be available. Accordingly, you consent to the issuance of an injunction prohibiting any conduct by you in violation of the terms of such covenants. We will not be required to post a bond as a condition for the granting of injunctive relief.

9.9.4 Governing Law. This Agreement is accepted by us in the State of Oregon and will be governed by the substantive laws of Oregon without regard to Oregon choice of law provisions. Following are exceptions to this choice of laws provision:

- A. Oregon laws will not prevail to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051, et seq.).
- B. Any law of the State of Oregon that regulates the sale of franchises or business opportunities or governs the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section.
- C. No antitrust, implied covenant, unfair competition, fiduciary, or any similar doctrine of law statute, law or regulation of Oregon (or any other state) is intended to be made applicable to this Agreement unless it would otherwise apply absent this paragraph.

The foregoing will not be construed as a waiver of any of your rights under any applicable franchise registration, disclosure or relationship law of another territory, state or commonwealth.

Any portion of this Agreement that requires enforcement in any other state, and is enforceable under the laws of that state but not of Oregon, will be construed and enforced according to the laws of that state.

9.9.5 Venue. All controversies, disputes, or claims related or arising from this Agreement or the relationship between the parties will be mediated, arbitrated, tried, heard, and decided (as applicable) in the county in which our headquarters are then located (currently Washington County, Oregon) or the nearest Federal District Court, which the parties agree is the most convenient venue for these purposes. The parties acknowledge and agree that this location for venue is reasonable and the most beneficial to the needs of, and best meets the interest of, all of the members of Franchisor's franchise system.

9.9.6 Attorneys' Fees. The prevailing party in any arbitration, insolvency proceeding, bankruptcy proceeding, suit, or action to enforce this Agreement will recover its arbitration, proceeding, and court costs and reasonable attorneys' fees. These will be set by the arbitration, proceeding or court, including costs and attorneys' fees on appeal or review from the arbitration, proceeding, suit, or action. Prevailing party means the party who recovers the greater relief in the proceeding.

9.9.7 Remedies. No right or remedy conferred upon us is exclusive of any other right or remedy in this Agreement or provided by law or equity. Each will be cumulative of every other right or remedy. The following provisions are in addition to all other remedies available to us at law or in equity:

- A. We may employ legal counsel or incur other expense to collect or enforce your obligations or to defend against any claim, demand, action or proceeding because of your failure to perform your obligations. Legal action may be filed by or against us and that action or the settlement of it may establish your breach of this Agreement. If either event occurs, we may recover from you the amount of our reasonable attorneys' fees

and all other expenses we incur in collecting or enforcing that obligation or in defending against that claim, demand, action or proceeding.

- B. You agree that the existence of any claims you may have will not constitute a defense to the enforcement by us of any of the covenants of this Agreement related to confidentiality and non-competition.
- C. If you materially breach any of the terms of this Agreement, we have the right to appoint a receiver to take possession, manage and control assets, collect profits, and pay the net income for the operation of the Franchise as ordered by a court of jurisdiction. The right to appoint a receiver will be available regardless of whether waste or danger of loss or destruction of the assets exists, and without the necessity of notice to you.
- D. If you materially breach any of the terms of this Agreement, you irrevocably nominate, constitute and appoint the person serving as our President, Managing Member, LLC Manager or similar position to be your attorney-in-fact so to act in your name and on your behalf.
- E. If you materially breach any of the terms of this Agreement, or upon expiration or termination of this Agreement, at our election and without waiving any claims for default or breach and without prior notice to you or resort to legal process, we may enter upon any premises using the reasonable force as is necessary in the circumstances, without being guilty of trespass or liable to you or the property owner for the entry, for the purposes of securing the return of our property, the performance of your obligations of discontinuance and the protection of our rights.
- F. We will have the option to cure your breaches at your expense.
- G. If Franchisee breaches any of the terms of this Agreement, and Franchisor delivers to Franchisee a notice of default, Franchisor has the right to suspend its performance of any of its obligations under this Agreement including, without limitation, the sale or supply of any products or services for which Franchisor is an approved supplier to Franchisee, until such time as Franchisee corrects the breach.
- H. If any payments to us, our affiliates or approved vendors are late by more than 15 business days, we may order all product deliveries withheld from you until the payments are received.

9.10 **Cross-Defaults.** If you or any of your owners, officers or key employees violate any material provision of any other franchise or similar agreement with us, that breach will be considered a breach of this Agreement and of the other agreements. We then may terminate or otherwise enforce this Agreement and the other agreements.

9.11 **Successors and Assigns.** This Agreement benefits and binds the respective heirs, executors, administrators, successors, and permitted assigns of the parties. Except as provided in the immediately preceding sentence, the parties intend to confer no benefit or right on any person or entity not a party to this Agreement and no third party will have the right to claim the benefit of any provision of this Agreement as a third-party beneficiary of that provision.

9.12 **Counterparts and Electronic Signatures.** This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, will constitute an original. Execution of this Agreement via DocuSign or other reputable e-signature services shall constitute valid and legally binding execution.

9.13 **Withholding Consent.** Our consent, whenever required by this Agreement, will be at our sole and absolute discretion unless expressly stated otherwise herein and may be withheld if you are in breach of this Agreement. In this Agreement, the phrase "at our discretion" or similar wording shall mean "at our sole and absolute discretion."

9.14 **Joint and Several Liability.** If, at any time during the term of this Agreement, the Franchisee consist of two or more persons or entities (whether acting in partnership or otherwise and whether or not all have signed this Agreement), the rights, privileges and benefits granted to Franchisee in this Agreement may only be exercised and enjoyed jointly, and Franchisee's obligations, liabilities and responsibilities under this Agreement will be joint and several obligations of each such person and entity.

9.15 **Personal Guaranty.** If you are a business entity, all of your owners (and principal officers, if we so require) must either sign this Agreement as direct parties or sign a personal guaranty in a form we specify at the time this Agreement is signed. This constitutes a material obligation under this Agreement.

9.16 **Force Majeure.** In the event that either party shall be delayed, hindered in, or prevented from the performance of any act required under this Agreement by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of utilities, restrictive governmental laws or regulations, riots, insurrection, war, Acts of God, or any reason of a like nature, not the fault of the party delayed in performing work or doing acts required under the terms of this Agreement, then performance of such act shall be excused for the period of such delay; provided that the provisions of this section shall not operate to excuse you from timely payment of any monetary obligations under this Agreement.

9.17 **We May Investigate.** We may conduct investigations and make inquiries of any person or persons we, in our reasonable judgment, believe appropriate concerning the credit standing, character, and professional and personal qualifications of you and your owners, officers, directors, LLC managers, and persons occupying similar positions or performing similar functions. You authorize us to conduct these investigations and to make these inquiries. We agree to comply with the requirements of laws that apply to these investigations and inquiries.

9.18 **Your Additional Representations and Acknowledgments.** You make the following representations and acknowledgments to us:

9.18.1 **Receipt of Disclosure Documents.** You have received our franchise disclosure document at the earlier of (1) the first personal meeting with us (if required in your state); or (2) 14 calendar days before signing any franchise or related agreement or making any payment with the franchisor or an affiliate in connection with the franchise sale (or 10 business days if required in your state). In addition, you acknowledge either:

- A. Receipt of this Agreement containing all substantive terms at the time of delivery of the franchise disclosure document; or
- B. If we unilaterally and materially altered the terms and conditions of our standard franchise agreement or any related agreements attached to the franchise disclosure document (in connection with properly amending our franchise registration in the relevant state(s)), you acknowledge that you received a complete and final copy of this Agreement and its exhibits not less than seven calendar days before you signed this Agreement.

9.18.2 **You Have Read and Understand this Agreement.** You have read and understand this Agreement. You understand and accept the terms, conditions and covenants contained in this Agreement. They are necessary to maintain our high standards of quality, service and uniformity at all franchises. They protect and preserve the goodwill of the Marks and the confidentiality and value of the System. You have received advice from advisors of your own choosing regarding all pertinent aspects of this Franchise and the franchise relationship created by this Agreement. You believe you have made a good decision for yourself (or your partners or your business entity) based upon what you believe is your ability to run and control a business of your own.

9.18.3 **Varying Forms of Agreement.** You are aware that some present and future GoMobile franchisees may operate under different forms of agreement and, consequently, that our obligations and rights in respect to our various present and future franchisees may differ materially in certain circumstances.

9.18.4 **Speculative Success.** The success of your franchise is speculative and depends, to a large extent, upon your ability as an independent businessperson. You recognize that the business venture contemplated by this Agreement involves business risks. We do not make any representation or warranty, express or implied, as to the

potential success of the Franchise.

9.18.5 Independent Investigation, No Projections or Representations. You have entered this Agreement after conducting an independent investigation of us and of the franchise we offer. You have not relied upon any representation as to gross revenues, volume, cost savings, potential earnings or profits which you in particular might realize. Except as outlined in Item 19 of our franchise disclosure document, we expressly disclaim the making of, and you acknowledge that you have not received, any representation, warranty, or guarantee, express or implied, concerning the potential revenues, cost savings, volume, profits, or success of the business venture contemplated by this Agreement. You acknowledge that neither we, nor any of our officers, directors, shareholders, employees, agents or servants, made any other representation about the business contemplated by this Agreement or that are not expressly set forth in this Agreement or our franchise disclosure document to induce you to accept this Franchise and execute this Agreement. Any oral representations made by our representatives to you, whether or not set forth in earlier versions of our standard form franchise agreement, have either been ratified by us by including the representations in this document or have been disavowed by excluding them from this Agreement.

9.18.6 No Review of Business Plans or Loan Applications. Prior to your execution of this Agreement, we have not given you any advice or review of any of your business plans or third-party loan applications related to your purchase of and proposed operation of the Franchise. We do not receive or review business plans and loan applications before a franchisee signs the relevant franchise agreement. We have strongly recommended that you retain and work with your own independent accountant and financial advisors to fully review all financial aspects of your potential franchise investment for you. You acknowledge that we will not provide financial assistance to you and that we have made no representation that we will buy back from you any products, supplies, or equipment you purchase in connection with your franchise.

9.18.7 Your Location and Market Area. You acknowledge that we will not provide or designate locations for you. You have investigated the potential of the market area in which you are to establish and operate your franchise business and the laws and applicable regulations. You agree and represent that that market area is reasonable and the Initial Franchise Fee represents fair consideration for the opportunity to establish and operate a GoMobile franchise.

9.18.8 Health and Full-Time Participation. You acknowledge that a GoMobile business involves hard work and sometimes long hours, similar to most small businesses that are owner-operated. We have not represented that this business is going to be easy for you, your partners, officers or directors. You represent that you or your principals are in good health and able to devote your best efforts in the operations of your Franchise and/or that you have the business management skills necessary to successfully hire a general manager to run the day-to-day operations of your Franchise (to the extent permitted by this Agreement).

9.18.9 Terrorism, Convictions, Immigration Status. You represent to us, unconditionally without reservation, that:

- A. Neither you, nor any of your owners, officers or employees, nor any of their respective spouses, children, or parents, nor anyone who has an interest in or who will manage the franchise, nor any of your affiliated entities ("**Interested Party(ies)**"): supports terrorism; provides money or financial services to terrorists; receives money or financial services from terrorists; or is engaged in terrorism, or any activity, organization, or plan with a terrorist. For purposes of this Agreement, "terrorist(s)" includes any person or organization on any current U.S. government list of persons and organizations that support terrorism as provided by law. You represent that neither you nor any Interested Party is on any such list(s).
- B. Neither you nor any Interested Party has engaged in or been convicted of fraud, corruption, bribery, money laundering, narcotics trafficking or other crimes, and each is eligible under applicable U.S. immigration laws

to communicate with, lawfully reside in, and travel to the United States to fulfill your obligations under your agreements with us.

- C. You and all Interested Parties are in the United States lawfully, have legal residence in the United States, and are lawfully permitted to work in the United States.

9.18.10 Investigate Applicable Laws. You have had ample opportunity to investigate laws applicable to your business with your own independent legal counsel before signing this Agreement.

9.18.11 No Representations, Projections, or Warranties by Franchisor. WE HAVE NOT MADE ANY REPRESENTATIONS, PROMISES, GUARANTEES, PROJECTIONS, OR WARRANTIES OF ANY KIND TO YOU, YOUR OWNERS, OR THE GUARANTORS TO INDUCE THE EXECUTION OF THIS AGREEMENT OR CONCERNING THIS AGREEMENT EXCEPT AS SPECIFICALLY SET FORTH IN WRITING IN THIS AGREEMENT AND IN OUR FRANCHISE DISCLOSURE DOCUMENT THAT WE DELIVERED TO YOU. YOU ACKNOWLEDGE THAT NEITHER WE NOR ANY OTHER PARTY HAS GUARANTEED YOUR SUCCESS IN THE BUSINESS CONTEMPLATED BY THIS AGREEMENT.

Without limiting the generality of the foregoing, you acknowledge that we have not guaranteed that you will derive income from the Franchise that exceeds the price you paid for the Franchise; or that we will refund all or part of the price you paid for the Franchise, or repurchase any of the products, equipment, supplies or chattels supplied by us (as applicable) if you are unsatisfied with the Franchise.

9.17 **Security Interest.** Subject to applicable state law, you grant to us a security interest in all tangible and intangible assets of the Franchise (and products and proceeds of them), including but not limited to your franchise vehicle(s) and equipment, as security for your obligations under this Agreement. You agree that we may prepare and file all instruments or documents necessary to consummate or perfect any such security interest, including a UCC Financing Statement. Upon request, you will execute and file such instruments or documents as needed. You acknowledge that we may file a copy of this Agreement as a financing statement for that purpose.

The parties have executed this Agreement on the day and year first above written.

**Franchisor:** GoMo Tires LLC

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Franchisee:**

IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY OR OTHER ENTITY: THIS AGREEMENT MUST BE SIGNED BY A COMPANY OFFICER OR OWNER AUTHORIZED TO SIGN ON BEHALF OF THE COMPANY. ADDITIONALLY, THE AGREEMENT OR A SEPARATE PERSONAL GUARANTY MUST BE SIGNED BY ALL OWNERS (AND PRINCIPAL OFFICERS, IF WE SO REQUIRE) OF THE COMPANY AS INDIVIDUALS.

Name of Corporation/LLC/Partnership: \_\_\_\_\_

By: \_\_\_\_\_ Title: \_\_\_\_\_

Individual Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Individual Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Individual Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

## EXHIBIT 1 OFFICE AND TERRITORY

**Type of Franchise.** The Franchise Agreement to which this Exhibit is attached is for the following type of franchise (Franchisor will check the appropriate blank):

<b>GoMobile Tires</b> Franchise	
<b>GoMobile Detail</b> Franchise	

**Franchise Office.** The Franchise Office is located at the following address (this blank will be completed by us once the Franchise Office has been approved if not approved at the time of signing the Franchise Agreement):

\_\_\_\_\_.

**Franchise Territory.** The Franchise Territory is defined as follows (this blank will be completed by us once the Franchise Territory has been designated if not designated at the time of signing the Franchise Agreement):

\_\_\_\_\_.

*[Attached is a map delineating the Franchise Territory.]*

\* \* \*

**Search Area.** If either the Franchise Office or the Franchise Territory has not been determined when this Agreement is executed, you are responsible for selecting the site for your Franchise Office within the following "Search Area":

\_\_\_\_\_.

Franchisor does not grant territorial protections or exclusivity in the Search Area. Franchisor does grant certain territorial protections in the Franchise Territory as described in the Franchise Agreement.]

**Miscellaneous.** The Franchise Territory and your franchise site must be in the United States of America, legally available pursuant to state and federal franchise and business opportunity disclosure and registration laws and pursuant to our contractual commitments (including those with our other franchisees) and in compliance with our franchise placement, market development and demographic criteria.

Except as specifically outlined or forbidden in the relevant Franchise Agreement, there are no understandings oral or written concerning the future placement of outlets by any party and concerning any territory protections granted to you.

## EXHIBIT 2 PURCHASE ADDENDUM

This Multiple Franchise Purchase Addendum (“**Addendum**”) is entered into as of \_\_\_\_\_, 20\_\_\_\_\_, between GoMo Tires LLC, a Florida limited liability company (“**we/us**”), and \_\_\_\_\_ and \_\_\_\_\_ (“**you**”).

1. **Simultaneous Multiple Franchise Purchase.** The parties have contemporaneously executed **[#]** Franchise Agreements, including this Agreement, as part of a multiple franchise purchase.
2. **Franchise Office and Franchise Territory.** The Franchise Territory for each franchise will be designated by us before you open each relevant franchise for business. The Franchise Territory must be in the United States of America, legally available pursuant to state and federal franchise and business opportunity disclosure and registration laws and pursuant to our contractual commitments (including those with our other franchisees) and in compliance with our franchise placement, market development and demographic criteria. Your Franchise Office must be located within your Franchise Territory.
3. **No Other Understandings.** Except as specifically outlined or forbidden in the relevant Franchise Agreement, there are no understandings oral or written concerning the future placement of outlets by any party and concerning any territory protections granted to you.
4. **Franchise Development Schedule.** You will commence in good faith to perform your obligations under the relevant franchise agreements and commence full and continuous operation of the relevant Franchise within the following time periods after execution of this Agreement (the “**Development Schedule**”):

END OF DEVELOPMENT PERIOD	NEW FRANCHISES TO BE OPENED DURING DEVELOPMENT PERIOD	CUMULATIVE NUMBER OF FRANCHISES TO BE OPENED AND CONTINUOUSLY OPERATED
First Franchise: Within 30 Days of Franchise Agreement Effective Date		
Second Franchise: Within 60 Days of Franchise Agreement Effective Date		
Third Franchise: Within 90 Days of Franchise Agreement Effective Date		
Fourth Franchise and Beyond: Must Begin Operations for Each Franchise Within Subsequent 30-Day Periods		

Time is of the essence of this Development Schedule.

In the event that you do not comply with the above Development Schedule, we will have the right to terminate this Multiple Franchise Purchase Addendum (and other simultaneously executed addenda) and any or all of your franchise agreements representing franchises that have not yet opened for business. Any failure to commence operation caused by a war or civil disturbance, a natural disaster, a labor dispute, shortages or other events beyond your reasonable control (not including financial circumstances) will be excused for a period of time that we deem reasonable under the circumstances.

5. **Payment of Initial Franchise Fees.** You shall pay 100% of the Initial Franchise Fee for the first Franchise and 50% of the Initial Franchise Fees for each additional Franchise at the time you contemporaneously sign the multiple Franchise Agreements. You will pay the 50% unpaid balance of the initial franchise fees under the relevant franchise agreements before the opening of each relevant Franchise. The Initial Franchise Fees we collect are not refundable under any circumstances.

6. **Training for First Franchise.** We will have no obligation to provide franchise training to you at our expense except for the first Franchise you open.

7. **Termination and Expiration.** This Addendum will expire at the earlier of the following:  
(1) the opening of your last Franchise under your Development Schedule;  
(2) the deadline for opening your last Franchise under your Development Schedule; or  
(3) the termination of this Addendum under to the terms and conditions of this Addendum or the Franchise Agreement. If you do not comply with the Development Schedule, we will have the right to terminate this Addendum (and any other Multiple Franchise Purchase Addenda) and any or all of your Franchise Agreements representing Franchises that have not yet opened for business. Such termination will be effective upon written notice to you. However, your Franchise Territory for each of your operating Franchises will remain in force.

8. **Defined Terms.** All capitalized terms contained in this Addendum that are not defined in this Addendum will have the meaning ascribed to them in the Franchise Agreement.

("we/us"): **GoMo Tires LLC**  
By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

(Jointly and severally "you"):

Name of Corporation/LLC/Partnership: \_\_\_\_\_

By: \_\_\_\_\_ Title: \_\_\_\_\_

Individual Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Individual Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

**EXHIBIT C**  
**LIST OF STATE AGENTS FOR SERVICE OF**  
**PROCESS AND STATE ADMINISTRATORS**

The following table reflects our Agents for Service of Process and the Relevant State Franchise Authorities. We may not be registered to offer and sell franchises in all of these states:

STATE	REGISTERED AGENTS	REGULATORY AUTHORITIES
CALIFORNIA	California Commissioner of Financial Protection and Innovation:  Los Angeles: 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 (213) 576-7505  Sacramento: 2101 Arena Boulevard Sacramento, California 95834-2036 (916) 445-7205  San Diego: 1350 Front Street San Diego, CA 92101-3697 (619) 525-4233  San Francisco: One Sansome Street, Suite 600 San Francisco, CA 94105-2980  <u>Toll-Free Number: 1-866-275-2677</u>	Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013-1105 (213) 576-7505
CONNECTICUT	Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06103 (860) 240-8233 or (860) 240-8232	Banking Commissioner 260 Constitution Plaza Hartford, CT 06103 (860) 240-8233 or (860) 240-8232
FLORIDA	[Not Applicable]	Senior Consumer Complaint Analyst Department of Agriculture and Consumer Services Division of Consumer Services Mayo Building, Second Floor Tallahassee, Florida 32399-0800 (850) 922-2770
HAWAII	Commissioner of Securities of the Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813-2921 (808) 586-2722	Commissioner of Securities of the Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813-2921 (808) 586-2722

ILLINOIS	Illinois Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Chief, Franchise Bureau Illinois Attorney General 500 South Second Street Springfield, IL 62706 (312) 814-3892
INDIANA	Secretary of State Administrative Offices of the Secretary of State 201 State House Indianapolis, IN 46204 (317) 232-6681	Securities Commissioner Securities Division Room E-111 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681
IOWA	[Not Applicable]	Director of Regulated Industries Unit Iowa Securities Bureau 340 East Maple Des Moines, Iowa 50319-0066 (515) 281-4441
MARYLAND	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Commerce, Corporations and Securities Bureau 525 W. Ottawa 670 Law Building Lansing, MI 48913 (517) 373-7117	Franchise Administrator Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 670 Law Building Lansing, MI 48913 (517) 373-7117
MINNESOTA	Minnesota Commissioner of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1600	Deputy Commissioner Minnesota Department of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1600
NEBRASKA	[Not Applicable]	Staff Attorney Department of Banking and Finance 1200 N Street Suite 311 P.O. Box 95006 Lincoln, Nebraska 68509 (402) 471-3445
NEW YORK	New York Department of State 99 Washington Avenue, 6 <sup>th</sup> Floor Albany, NY 12231	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21 <sup>st</sup> Floor New York, NY 10005 (212) 416-8285
NORTH DAKOTA	North Dakota Securities Commissioner Fifth Floor 500 East Boulevard Bismarck, ND 58505	North Dakota Securities Department 600 East Boulevard Avenue State Capitol, Fifth Floor, dept 414 Bismarck, ND 58505-0510 701-328-4712

OREGON	Director of Oregon Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 97310 (503) 378-4387	Department of Consumer and Franchise Services Division of Finance and Corporate Securities Labor and Industries Building Salem, OR 97310 (503) 378-4387
RHODE ISLAND	Director of Rhode Island Department of Franchise Regulation Division of Securities Suite 232 Providence, RI 02903 (401) 222-3048	Associate Director and Superintendent of Securities Division of Securities 233 Richmond Street, Suite 232 Providence, RI 02903-4232 (401) 222-3048
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563
TEXAS	[Not Applicable]	Secretary of State Statutory Document Section P.O. Box 12887 Austin, TX 78711 (512) 475-1769
UTAH	Ryan C. Combe Registered Agent 2181 Combe Road Ogden, Utah 84403	Division of Consumer Protection Utah Department of Commerce 160 East Three Hundred South P.O. Box 45804 Salt Lake City, Utah 84145-0804 (801) 530-6601
VIRGINIA	Clerk of the State Corporation Commission 1300 E. Main Street, 1 <sup>st</sup> Floor Richmond, VA 23219 (804) 371-9733	State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, 9 <sup>th</sup> Floor Richmond, VA 23219 (804) 371-9051
WASHINGTON	Director of Department of Financial Institutions Securities Division 150 Israel Rd. SW Tumwater, WA 98501 (360) 902-8760	Administrator Dept. of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507 (360) 902-8760
WISCONSIN	Wisconsin Commissioner of Securities P.O. Box 1768 345 W. Washington Avenue, 4 <sup>th</sup> Floor Madison, WI 53703 (608) 261-9555	Franchise Administrator Securities and Franchise Registration Wisconsin Securities Commission 345 W. Washington Avenue, 4 <sup>th</sup> Floor Madison, WI 53703 (608) 261-9555
FEDERAL TRADE COMMISSION		Franchise Rule Coordinator Division of Marketing Practices Bureau of Consumer Protection Pennsylvania Avenue at 6th Street, NW Washington, D.C. 20580 (202) 326-3128

**EXHIBIT D  
CONDITIONAL ASSIGNMENT**

\_\_\_\_\_ ("you") operate your franchise business at \_\_\_\_\_. In consideration of the granting of a franchise to you and other valuable consideration given by GoMo Tires LLC, a Florida limited liability company ("we/us"), you assign to us all of the following to the extent they relate to the franchise or include our brand: business telephone numbers (including mobile numbers); business telephone and internet listings; websites, website addresses, and domain names; social media accounts and content; and business email addresses and accounts. The immediately preceding sentence does not grant you rights beyond those expressly granted by the franchise agreement or our franchise operations manual. We will hold this assignment, and will deliver it to interested third parties, only upon expiration or termination of the Franchise Agreement between us and you dated \_\_\_\_\_.

DATED this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

("we/us"):        GoMo Tires, LLC

By: \_\_\_\_\_

Title: \_\_\_\_\_

(Jointly and severally "you"): \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Name of Corporation/LLC/Partnership: \_\_\_\_\_

By: \_\_\_\_\_ Title: \_\_\_\_\_

**EXHIBIT E**  
**CANCELLATION OF ASSUMED BUSINESS NAME**

Pursuant to the provisions of relevant state laws concerning the registration and use of assumed or fictitious business names, the undersigned applicant, being a franchisee of GoMo Tires LLC, submits the following to evidence its intent to abandon, relinquish and terminate its right to use the business name "GoMobile Tires" and/or "GoMobile Detail":

1. Name of Applicant who is Using the Assumed or Fictitious Business Name:

\_\_\_\_\_  
\_\_\_\_\_

a(an) individual/partnership/corporation organized  
and doing business under the laws of the State of

\_\_\_\_\_

2. Date When Original Assumed or Fictitious BusinessName was Filed by Applicant:

\_\_\_\_\_

3. Address of Applicant's Registered Office in theState of:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Please cancel the Applicant's registration to use the name **GoMobile Tires** and/or "**GoMobile Detail**" (as applicable).

DATED: \_\_\_\_\_

Applicant:

Company Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT F**  
**AUTHORIZATION FOR EFT**

(Form subject to change)

**GoMo Tires LLC**

163 SW Freeman Avenue, Ste D, Hillsboro, Oregon 97123

(503) 501-9106

I (we) hereby authorize GoMo Tires LLC (the "Company") to initiate Electronic Funds Transfer charges to my (our) bank account (indicated below) for payment of my (our) monthly Royalty Fees and other ongoing fees owed by me (us) (pursuant to the Franchise Agreement between me (us) us and the Company) to the Company on or near the 5th day of each month (or such other dates as the Company may reasonably prescribe in its Franchise Operations Manual). This Authorization will remain in full force and effect until Company receives written confirmation of termination of this Authorization via certified letter.

Financial Institution Name: \_\_\_\_\_

Account Number: \_\_\_\_\_

Branch Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

I further certify that I have received a copy of the Authorization for my files.

Company Name \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

*Individuals:*

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Effective Date: \_\_\_\_\_

[FORM CONTINUES ON THE FOLLOWING PAGE.]

**Please attach a voided blank check for verification purposes.**

**[VOIDED CHECK]**

**EXHIBIT G  
DISCLOSURE ACKNOWLEDGMENT AND  
AGREEMENT**

1. GoMo Tires LLC (“we/us”) through the use of this document, desires to ascertain that \_\_\_\_\_ and your owners and officers (collectively “you”) fully understand and comprehend that the purchase of a GoMobile Tires or GoMobile Detail franchise is a business decision, complete with its associated risks. It is our company policy to verify that you are not relying upon any statements, representations, promises, or assurances (oral, written, visual, or otherwise) during the negotiations for the purchase of the franchise which have not been authorized by us.
2. You recognize that business risks, which exist in connection with the purchase of any business, make the success or failure of a GoMobile franchise subject to many variables, including your skills and abilities, the hours you work, competition, interest rates, the economy, inflation, store location, operating costs, lease terms and costs, and the marketplace. You acknowledge your willingness to undertake these business risks.
3. You acknowledge that you received a copy of the GOMOBILE Franchise Disclosure Document, which includes a copy of the form of GOMOBILE Franchise Agreement and audited financials of GoMo Tires LLC. You acknowledge that you have personally and carefully reviewed all of this document.
4. We have advised you to seek professional assistance, to have professionals review the documents, and to have them consult with you regarding the risks associated with the purchase of the franchise.
5. You represent to us that your decision to enter into this business risk is in no manner predicated upon any representations, assurances, warranties, guarantees, or promises made by us or our representatives that are not set forth in the GOMOBILE Franchise Disclosure Document, such as representations as to the likelihood of success of the franchise. You further acknowledge that you have not received any information concerning actual, average, projected, or forecasted franchise sales, profits, or earnings except for those set forth in the GOMOBILE Franchise Disclosure Document. If you believe that you have received any information concerning actual, average, projected, or forecasted franchise sales profits or earnings other than as set forth in the GOMOBILE Franchise Disclosure Document, please describe these in the space provided below or write “None.” Attach additional sheets if necessary.

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Acknowledged and accepted as of the date of each signature below.

**Franchisee:**

Company Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Franchisee's Individual Owners and Officers:**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Position with Company: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Position with Company: \_\_\_\_\_

Date: \_\_\_\_\_

## **EXHIBIT H FORM OF GENERAL RELEASE**

The Franchise Agreement provides that the franchisee must sign a General Release in a form satisfactory to the franchisor in certain circumstances, such as upon transfer or renewal of the franchise. Following is a form of General Release that is subject to change.

FORM OF GENERAL RELEASE

This General Release Agreement ("Agreement") is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_. It is among GoMo Tires LLC("Franchisor"), \_\_\_\_\_ and \_\_\_\_\_ (jointly and severally "Franchisee") and \_\_\_\_\_ and \_\_\_\_\_ (jointly and severally"Transferee").

RECITALS

On or about \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, Franchisor and Franchisee entered into a GoMobileTires [or GoMobile Detail] Franchise Agreement (the "Franchise Agreement[s]") for the operation of a GoMobile Tires [or GoMobile Detail] franchise at the following location:

\_\_\_\_\_  
\_\_\_\_\_

[NOTE: Describe the circumstances relating to the release, such as circumstances related to transfer or renewal of the franchise and relevant agreement dates.]

Now, therefore, in consideration of the mutual covenants set forth below, the parties agree as follows:

1. Renewal of Franchise Agreement.

The parties covenant and agree:

- A. The Franchise Agreement, including all appurtenant addenda, certificates, exhibits, options, and obligations of the parties is terminated. The provisions of the Franchise Agreement concerning your obligations upon termination and renewal will continue in full force and effect. The parties agree that this Agreement fully and completely expresses the present understanding between the parties.
- B. Contemporaneously with execution of this Agreement, you agree to execute our current franchise agreement forms. These forms may vary materially from the Franchise Agreement. Fees will be set at the currently prevailing rates and terms. The Franchise Office must remain at the location designated in the Franchise Agreement unless we otherwise approve in writing.
- C. You will reimburse us for the following reasonable out-of-pocket costs we incur concerning the renewal:

\_\_\_\_\_

D. You will repair or replace the franchise vehicle(s), fixtures, and equipment to conform to the current Operations Manual and System. This includes:

E.

\_\_\_\_\_

F. You and your designated manager (if any) and technician(s) will attend and successfully complete the following retraining programs at your expense, including travel, meals, lodging, and our current training fee of \$ \_\_\_\_\_.

1. Franchise Transfer.

The Parties covenant and agree:

- A. The Franchise Agreement between Franchisor and Franchisee, including all appurtenant addenda, certificates, exhibits, options, and obligations of the parties are terminated, as between them, except as otherwise provided in this Agreement.
- B. Franchisor enters into this Agreement, in part, in reliance upon the individual or collective character, skill, attitude, business ability and financial capacity of Transferee.
- C. All obligations of Franchisee in connection with the Franchise Agreements and the franchises are assumed by the Transferee. Franchisee will remain bound by its covenants in the Franchise Agreements that neither it nor its owners, officers, partners, or other persons enumerated in the Franchise Agreements will disclose confidential information nor compete with Franchisor or Franchisor's franchisees.
- D. [All now ascertained or liquidated debts in connection with the franchise have been paid by Franchisee.] [Franchisee owes \$ \_\_\_\_\_ in current obligations and will owe additional funds for royalty fees, software fees, [OTHER FEES] and product purchases through the closing of this transfer transaction. Franchisee will pay all sums due to Franchisor and to product suppliers within 10 days of the relevant invoice or due date. All other now ascertained or liquidated debts in connection with the franchises have been paid by Franchisee.]
- E. Franchisee is not in default in any way under the Franchise Agreements or any other agreement between it and Franchisor.
- F. Transferee will pay for and complete to Franchisor's exclusive satisfaction the training programs now required of new franchisees. [Transferee has completed to Franchisor's satisfaction the training programs now required of new franchisees.] [Transferee has demonstrated to Franchisor's satisfaction sufficient ability to successfully operate the franchise]. Franchisee or Transferee have submitted to Franchisor, upon execution of this Agreement, a Transfer Fee in the amount of \$ \_\_\_\_\_. Franchisor acknowledges receipt of this Fee in consideration for Franchisor's legal, accounting, credit check, training and investigation expenses incurred as a result of this transfer. [In addition, Franchisee has paid to Franchisor, contemporaneous with execution of this Agreement, a percent commission on the gross transfer price (excluding the price of real property), in the amount of \$ \_\_\_\_\_. Franchisor acknowledges receipt of this amount in consideration for having obtained Transferee for Franchisee.]
- G. Transferee will execute all documents Franchisor or Franchisee may reasonably require to complete the transfer and assumption of the franchise, including but not limited to execution of a new franchise agreement in the form currently being used by Franchisor. The new franchise agreement may contain economic and general terms which are materially different from those contained in the Franchise Agreement.
- H. Transferee has met the standards established by Franchisor for quality of character, financial capacity and experience required of a new or renewing GoMobile franchisee. Franchisee and Transferee have provided to Franchisor such information as Franchisor reasonably requested to evidence that Transferee meets these standards.
- I. The lessor or sublessor of the Franchise Office has consented to the assignment or sublease of the Franchise Office to Transferee.]

J. Franchisee and Transferee agree to subordinate to Transferee's obligations to Franchisor (including, without limitation, the payment of all franchise fees) any obligations of Transferee to Franchisee.

K. Transferee will assume possession and control of the equipment, furnishings, signs, supplies, inventory, advance paid deposits and other personal property and fixtures located on the Franchise Office, except as follows:

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L. Franchisee will properly operate the franchises and maintain the Franchise Office in clean and proper working order and will continue the employment of all current employees until Transferee assumes control of the businesses and [relocates] the Franchise Office.

M. Franchisee will maintain a sufficient inventory and sufficient supplies on hand to provide for normal business operations through the second day after Transferee assumes control of the businesses and the Franchise Office, except as follows:

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Transferee agrees to place orders with product suppliers to maintain the inventory and supply levels following the closing of this transaction.

N. Franchisee and Transferee have entered into this Agreement for the transfer of Franchisee's rights under the Franchise Agreements after their own independent investigation. The transfer of the franchise rights and the amount of consideration for them have been determined by them independently. Franchisee and Transferee acknowledge that they have not relied upon any representation, warranty, promise or other consideration from or by Franchisor in entering into this Agreement or in evaluating the advisability of the transfer or the value of the franchises, any of the franchise rights or the franchise locations.

O. Transferee will repair or replace the Franchise Office (if a commercial office), and will repair or replace the fixtures, equipment, vehicle(s), and signage to conform to the current Operations Manual and Method of Operation within 90 days of transfer.

P. Franchisee acknowledges that Franchisor has been and is authorized to release to Transferee any and all information maintained by Franchisor relating to the franchised business and the Franchise Agreement.

***[NOTE: The following Section 2 is for franchise transfers but not for franchise renewals:]***

2. Franchisee to Cease Using Trade Names, Marks, and Logos.

Upon completion of the transfer, Franchisee will immediately cease using Franchisor's trade names, service marks, logos, and other marks, symbols or materials indicating that Franchisee is or was related to Franchisor in any way, except as otherwise provided in writing. Franchisee acknowledges that all such names, service marks, logos, and symbols are the exclusive property of Franchisor and that Franchisee has been allowed to use them, only in conjunction with the franchise relationship as outlined in this Agreement. Franchisee will remain jointly and severally bound to comply with the covenants in the Franchise Agreement which expressly or by reasonable implication are intended to apply to Franchisee after termination of the Franchise Agreement, including any applicable non-disclosure requirements. Franchisee will immediately:

- A. deliver to Transferee or Franchisor all copies of the Operations Manuals, training materials, and all other franchise-related materials in Franchisee's custody, control or possession (or destroy such materials if requested by Franchisor);
- B. take action as required to transfer to Transferee all registrations relating to the use of all assumed names;
- C. notify the telephone company and all listing agencies of the transfer of Franchisee's rights to use the franchise names and logos and classified and directory listings of the franchise;
- D. cease use of the franchise trademarks, service marks, trade names, copyrights, and other intellectual or intangible property; and
- E. refrain from doing business in any way that might tend to give the public the impression that Franchisee still is or was a franchisee in the franchise system.]

[You hereby assign to us all of the following to the extent they relate to the franchise or include our brand: business telephone numbers (including mobile numbers); business telephone and internet listings; websites, website addresses, and domain names; social media accounts and content; and business email addresses and accounts.]

3. Communication of Confidential Information.

Neither Franchisee nor its owners, officers, directors, or other persons enumerated in the Franchise Agreements will communicate or divulge to any person or entity the contents of this Agreement, the contents of the Franchise Agreement, the substance of the GoMobile Tires / GoMobile Detail franchise operations manuals, or any other nonpublic information related to the operation of the GoMobile Tires / GoMobile Detail franchise system. Franchisee represents and warrants that neither it nor any listed individual has communicated or divulged any such information to anyone prior to the date of this Agreement. Franchisee will continue to comply with all the confidentiality requirements of the Franchise Agreements.

[Nothing contained in this Agreement will preclude Franchisor or Franchisee from disclosing the fact of this Agreement or the amount paid by Transferee to Franchisor or to Franchisee.]

4. Release.

- A. General. In consideration of the covenants and understandings set forth in this Agreement, Franchisee (for itself and on behalf of its affiliates, subsidiaries, divisions, successors, assigns, owners, officers, directors, LLC managers, employees and agents) does release and forever discharge and covenants not to sue Franchisor (and its affiliates, subsidiaries, divisions, successors, assigns, owners, officers, directors, LLC managers, employees and agents) ("**Released Parties**") from all claims, demands, actions or causes of action of every name, nature, kind and description whatsoever, whether in tort, in contract or under statute (each a "**Claim**" and collectively "**Claims**"), including but not limited to Claims arising directly or indirectly out of the offer of, negotiation of, execution of, performance of, nonperformance, or breach of the Franchise Agreement and any related agreements between the parties through the date of this Agreement (except provisions in the Franchise Agreement concerning Franchisee's obligations upon termination).

It is expressly understood and agreed that this release is intended to cover and does cover not only all known losses and damages but any further losses and damages not now known or anticipated but which may later develop or be discovered, including all the effects and consequences thereof.

The purpose of this release is to make a full, final and complete settlement of all claims against Franchisor, known or unknown, through the date of this Agreement, including, but not limited to, economic loss.

[In consideration of the covenants and understandings set forth in this Agreement, Transferee does release

and discharge Franchisor and its current and former owners, partners, directors, officers, members, employees and agents from any and all claims, demands, actions or causes of action of every name, nature, kind and description whatsoever, whether in tort, in contract or under statute, arising directly or indirectly out of the offer of, negotiation of, execution of, performance of, nonperformance, or breach of Transferee's existing franchise or license agreement(s) with us and any related agreements between the parties and out of any other action or relationship between the parties arising prior to the date of this Agreement.

Transferee represents that this release has been read and that it is fully understood and voluntarily accepted. The purpose of this release is to make a full, final and complete settlement of all claims against Franchisor, known or unknown, arising directly or indirectly out of Transferee's existing franchise or license agreement(s) with us and the relationship between the parties through the date of this Agreement, including, but not limited to, economic loss.]

- B. Waiver of Statute. With the advice of legal counsel, the Releasing Parties expressly waive any statute, legal doctrine or other similar limitation upon the effect of general releases. If applicable, the parties waive the benefit of California Civil Code Section 1542, which states: A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.
- C. Covenant Not to Sue. Franchisee covenants not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any of the Released Parties with respect to any Claim.
- D. Certain Obligations Not Released. The parties agree that the provisions of the Franchise Agreement concerning the obligations of Franchisee upon termination will continue in full force and effect. Without limiting the generality of the foregoing, Franchisee shall be liable to Franchisor for royalties and any other fees that accrue prior to the Effective Date.]
- E. Franchisee's Acknowledgments. FRANCHISEE HEREBY ACKNOWLEDGES THAT FRANCHISEE HAS READ THIS RELEASE THOROUGHLY AND FULLY UNDERSTANDS IT; FRANCHISEE IS VOLUNTARILY EXECUTING THIS RELEASE; FRANCHISEE HAS BEEN GRANTED THE OPPORTUNITY TO SEEK INDEPENDENT LEGAL ADVICE BEFORE EXECUTING THIS RELEASE; AND FRANCHISEE IS AWARE THAT BY SIGNING THIS RELEASE FRANCHISEE IS WAIVING CERTAIN LEGAL RIGHTS THAT FRANCHISEE MAY HAVE AGAINST THE RELEASED PARTIES.
5. Indemnification.  
Franchisee, for themselves and their heirs, successors, representatives, assigns, subsidiaries, divisions, and agents and each of them, agree to indemnify and hold harmless Franchisor and its affiliates, subsidiaries, divisions, successors, assigns, officers, directors, employees and agents and each of them against any liabilities, losses, damages, deficiencies, claims, costs, expenses, actions, suits, proceedings, investigations, demands, assessments, judgments, and costs of any nature resulting, directly or indirectly, from the operation of the franchise by Franchisee or Franchisee's agents or employees. This provision is not intended to reduce the scope of the indemnities found in the Franchise Agreement.
6. Miscellaneous Provisions.
- A. Entire Agreement. This writing is the entire agreement between the parties and may not be modified or amended except by written agreement signed by the parties.

- B. Joint and Several Liability. If Franchisee consists of more than one individual or entity, then their liability under this Agreement will be joint and several.
  - C. Waiver. No waiver of any covenant or breach of this Agreement will be a waiver of any subsequent breach of the same or any other covenant or authorize the subsequent breach of any covenant or condition.
  - D. Time of Essence. Time is of the essence of this Agreement.
  - E. Injunctive Relief. In addition to other remedies available at law or in equity, any party may seek and obtain in any court of competent jurisdiction specific performance and injunctive relief to restrain a violation by the other party of any covenant contained in this Agreement.
  - F. Dispute Resolution. If a dispute arises, before taking any other legal action, the parties agree to participate in good faith mediation in Washington County, Oregon in accordance with the mediation procedures of the American Arbitration Association or of any similar organization that specializes in the mediation of commercial business disputes. The party demanding mediation must provide written notice to the other party of the demand for mediation. If the other party does not respond to the mediation demand within 30 days of written notice, or indicates a refusal to participate in mediation, then the party providing notice may proceed with other forms of dispute resolution. The parties agree to equally share the costs of mediation. Injunctive relief and or claims of specific performance sought pursuant to or authorized by this Agreement, are not subject to, nor can be avoided by, the mediation terms of this Agreement, and may be brought in any court of competent jurisdiction.
  - G. Costs and Attorneys' Fees. The prevailing party in any suit or action to enforce this Agreement will be entitled to recover its arbitration and court costs and reasonable legal fees to be set by the court, including costs and legal fees on appeal.
  - H. Governing Law and Venue. This Agreement is accepted in the State of Oregon and will be governed by the laws of Oregon, which laws will prevail, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051, et seq.) and except in those states whose franchise laws require exclusive application of those laws. This choice of laws will not include and does not extend the scope of application of the Oregon franchise or business opportunity laws (if any). Any portion of this Agreement that requires enforcement in any other state, and is enforceable under the laws of that state but not of Oregon, will be construed and enforced according to the laws of that state. All issues or disagreements relating to this Agreement, will be tried, heard, and decided in in the county in which our headquarters are then located (currently Washington County, Oregon).
  - I. Successors and Assigns. This Agreement will benefit and bind the respective heirs, executors, administrators, successors, and assigns of the parties.
  - J. Legal Representation. The parties acknowledge they have been represented by counsel and have been advised of the significance and ramifications of executing this Agreement.
  - K. Counterparts and Electronic Signatures. This Agreement may be executed simultaneously in counterparts, each of which will be deemed an original, but all of which, together, will constitute one and the same instrument. Execution of this Agreement via DocuSign or any other reputable e-signature service will constitute valid and enforceable execution.
  - L. Definition of "Including". In this Agreement, *including* means "including but not limited to" unless expressly stated otherwise.
7. Effective Date.  
The effective date of this Agreement shall be the date the last party signs.

IN WITNESS WHEREOF, the parties have executed this Agreement.

**Franchisor:** GoMo Tires LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Franchisee:**

Name of Corporation/LLC/Partnership: \_\_\_\_\_

By: \_\_\_\_\_ Title: \_\_\_\_\_

Individual Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Individual Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

**Transferee:**

Name of Corporation/LLC/Partnership: \_\_\_\_\_

By: \_\_\_\_\_ Title: \_\_\_\_\_

Individual Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Individual Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

**Instructions for signatures (above) for “Franchisee” and “Transferee”:** If you are a corporation, limited liability company or other business entity, then this Agreement should be signed by a company officer or owner authorized to sign on behalf of the company. Additionally, this Agreement must be signed by all officers and owners of the company as individuals.

## EXHIBIT I PERSONAL GUARANTY

THIS PERSONAL GUARANTY (this “**Guaranty**”) is given this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_ jointly and severally (collectively, the “**Guarantors**”).

1. General. In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (including its exhibits) of even date (the “**Agreement**”) by GoMo Tires LLC, a Florida limited liability company (the “**Franchisor**”), with \_\_\_\_\_ a \_\_\_\_\_ [corporation/limited liability company] (the “**Franchisee**”), each of the undersigned (“**Guarantor(s)**”) personally and unconditionally (a) guarantees to the Franchisor, and its successor and assigns, that the Franchisee will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement; and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement and its exhibits, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including but not limited to the provisions related to confidentiality and non-disclosure of confidential information, non-competition, use of trademarks and other intellectual property, monetary obligations, dispute resolution, and indemnification. In this Guaranty, “Agreement” includes the Franchise Agreement and its exhibits and attachments as presently constituted and as they may be renewed, extended or modified.

2. Certain Waivers. Each of the undersigned waives: (1) acceptance and notice of acceptance by the Franchisor of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed; (4) any right the undersigned may otherwise have to require that an action be brought against the Franchisee or any other person as a condition of liability; (5) the defense of the statute of limitations in any action under this Guaranty or for the collection of any indebtedness or the performance of any obligation guaranteed by this Guaranty; and (6) any and all other notices and legal or equitable defenses to which it may be entitled.

3. Certain Consents and Agreements. Each of the undersigned consents and agrees that: (1) each Guarantor’s liability under this undertaking is direct, immediate, and independent of the liability of, and is joint and several with, the Franchisee and the other owners of the Franchisee; (2) the undersigned will render any payment or performance required under the Agreement upon demand if the Franchisee fails or refuses punctually to do so; (3) the liability of each of the undersigned is not contingent or conditioned upon pursuit by the Franchisor of any remedies against the Franchisee or any other person (including others of the undersigned); (4) the Franchisor may proceed against the Guarantor without having commenced any action, or having obtained any judgment, against the Franchisee; (5) the liability of each of the undersigned will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which the Franchisor may grant to the Franchisee or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, or any amendment to the Agreement, none of which shall in any way modify or amend this Guaranty, which shall be continuing; (6) neither the Guarantor’s obligations to make payment or render performance in accordance with the terms of this Guaranty nor any remedy for the enforcement of this Guaranty will be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release, or limitation of the liability of the Franchisee or its estate in bankruptcy or of any remedy for the enforcement of this Guaranty, resulting from the operation of any present or future provision of the U.S. Bankruptcy Code or other statute, or from the decision of any court or agency; and (7) any obligations or debt owing from Franchisee to the undersigned shall be subordinate to Franchisee’s obligations under the Agreement and this Guaranty.

4. Miscellaneous.

- 4.1 Guarantor further agrees to reimburse the Franchisor for all costs and expenses which the Franchisor may incur in the enforcement of any of its rights under this Guaranty, including reasonable attorneys' fees.
- 4.2 Nothing in this Guaranty shall be deemed or taken to be a condition or limitation of any of the rights of the Franchisor against the Franchisee.
- 4.3 This Guaranty shall continue in full force and effect until all of the obligations of the Franchisee have been satisfied.
- 4.4 The terms and provision of this Guaranty shall be binding upon and inure to the benefit of the successors and assigns of the Guarantor and Franchisor.
- 4.5 No provision of this Guaranty or right of Franchisor hereunder can be waived or modified, nor can Guarantor be released from Guarantor's obligations hereunder, except by a writing dulyexecuted by Franchisor.
- 4.6 This Guaranty may be assigned by Franchisor concurrently with the transfer or assignment of the License Agreement, and, when so assigned, Guarantor shall be liable to the assignees without in any manner affecting the liability of Guarantor hereunder.
- 4.7 Should any one or more provisions of this Guaranty be determined to be illegal orunenforceable, all other provisions shall nevertheless be effective.
- 4.8 This Guaranty shall be governed by and construed in accordance with the laws ofthe State of Oregon. In any action brought under or arising out of this Guaranty, Guarantor hereby consentsto the jurisdiction of any competent court within the County of Washington, State of Oregon and hereby consents to service of process by any means authorized by Oregon law.
- 4.9 This Guaranty shall constitute the entire agreement of Guarantor with respect to the subject matter hereof, and no representation, understanding, promise or condition concerning the subjectmatter hereof shall be binding upon Franchisor unless expressed herein.

IN WITNESS WHEREOF, each of the undersigned has affixed his signature on the same day and year as the Agreement was executed.

<b>GUARANTOR(S):</b>	<b>PERCENTAGE OWNERSHIP IN FRANCHISEE:</b>
Signed:	%
Print Name:	
Signed:	%
Print Name:	
Signed:	%
Print Name:	

**Attachment to Personal Guaranty**

SPOUSAL CONSENT

The undersigned is the spouse of an individual or owner who signed the Personal Guaranty. The undersigned hereby (a) acknowledges that the undersigned has read and understands the terms and conditions of the Personal Guaranty; (b) specifically consents to the terms and conditions of the Personal Guaranty; (c) approves the execution of the Personal Guaranty by the spouse of the undersigned; and (d) acknowledges that by so consenting, the undersigned has agreed that marital and/or community property is liable to the extent of the liability of the spouse of the undersigned under the Personal Guaranty.

Signed: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

## EXHIBIT J CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

This Confidentiality and Non-Competition Agreement (this "**Agreement**") has been entered effective on the following date:\_\_\_\_\_. It is by and between GOMO TIRES LLC, a Florida limited liability company ("**Franchisor**" and "**we/us**") and \_\_\_\_\_ ("**you**").

### RECITALS

A. We own valuable goodwill and have valuable Confidential Information (defined below), and distinctive business format and color scheme and utilize distinctive, uniform business formats, recipes, signs, equipment, layouts, systems, methods, procedures, designs and marketing and advertising standards and formats (the "**System**"). The Confidential Information and System are connected with the development and operation of GoMobile Tires or GoMobile Detail businesses (as applicable).

B. Franchisor and \_\_\_\_\_ ("**Franchisee**") signed that certain franchise agreement ("**Franchise Agreement**") on or about \_\_\_\_\_ [DATE]. The Franchise Agreement requires the Franchisee's owners, officers, directors, and persons occupying similar positions (who may obtain or who are likely to obtain knowledge concerning our Confidential Information) to execute a confidentiality and non-competition agreement.

### AGREEMENT

Therefore, in consideration of the mutual promises and covenants contained in the Franchise Agreement and herein, the parties agree as follows:

#### **1. PROTECTION OF CONFIDENTIALITY**

##### **1.1. Confidential Information Defined.**

In this Agreement, "Confidential Information" shall mean:

- a) Any information that relates to our proprietary ideas, trade secrets, business, products, technology, customers, finances, plans, proposals, or practices of us, including, but not limited to, plans and specifications for new products, discoveries, ideas, know-how, research and development, inventions, techniques, marketing strategies, customer lists, financing sources and suppliers, non-public financial information, budgets, data, and projections;
- b) Our proprietary information and information we mark or designate as confidential;
- c) Information, whether or not in written form and whether or not designated as confidential, which is known to you as being treated by us as confidential;
- d) Information provided to us by third parties, which we are obligated to keep confidential.

The Confidential Information shall include information in any form in which such information exists, whether oral, written, video, digital, electronic, or other format or medium.

Confidential Information loses that status if: (1) The information becomes publicly available (unless because you breached this Agreement); (2) You get it without restriction from a third party who had the right to disclose it without restriction; or (3) You develop it independently, or already knew it when we gave it to you.

**1.2. Our Exclusive Property.** You acknowledge and agree that our System and all Confidential Information is

and shall continue to be our sole and exclusive property, whether or not disclosed or entrusted to you in connection with your relationship with us. Nothing in this Agreement will give you or others any right, title, or interest whatsoever in or to them. The Confidential Information shall be considered our trade secrets and shall be entitled to all protections provided by applicable law to trade secrets.

**1.3. Safeguard of Confidential Information.** You agree to exercise the highest degree of care in safeguarding Confidential Information against loss, theft, or other inadvertent disclosure. You agree to accord to the Confidential Information the same degree of care and use the same confidentiality protection practices as you exercise or employ with respect to your confidential or proprietary information (but no less than a reasonable degree of care). This includes obligating employees and consultants who receive Confidential Information to covenants of confidentiality and non-use.

**1.4. Notice.** You agree that if you or your employees and agents are served with any subpoena or other compulsory judicial or administrative process calling for production of Confidential Information, you will immediately notify us in order that we may take such action as we deem necessary to protect our interests. You agree to execute any and all documents and to do all acts and things in the opinion of our counsel are necessary or advisable to protect our interests.

## **2. COVENANT OF NON-DISCLOSURE.**

You specifically acknowledge that you will receive valuable specialized and Confidential Information, including information regarding our operational, sales, promotional and marketing methods and techniques and the System. You agree not to disclose Confidential Information to any third party and to limit disclosure within your association to designated employees approved by us. Disclosures to designated employees will be done on a "need to know" basis to the extent necessary for them to perform the duties of their employment with you. Unless required by court order or applicable law, you agree not to copy, download, send, or divulge any Confidential Information directly or indirectly to any other person or enterprise outside of our franchise system. You will never communicate, divulge, or use in any manner, either for your benefit or the benefit of any other person, persons, partnerships, associations, companies or corporations any Confidential Information or proprietary information, knowledge or know-how concerning the System or any information we have communicated to you in written, verbal or electronic form, including intranet passwords, for the operation of your business.

## **3. COVENANT OF NON-USE**

You agree not to use Confidential Information or the System, except as authorized by us. You will obligate your owners, board of directors, your employees, and your agents to the same non-use covenant. We must approve in writing any use of Confidential Information or System by you or your owners or your directors or employees.

## **4. RETURN OF CONFIDENTIAL INFORMATION**

You agree that all originals and copies of records, data, reports, documents, lists, plans, drawings, correspondence, memoranda, notes, and other materials related to or containing any Confidential Information, in whatever form they exist, whether written, visual, audio, video, or other form of media, shall be our sole and exclusive property. Upon cessation of your association with Franchisee, or upon our earlier request, you will promptly return to us (or irretrievably delete or destroy) all documents or other tangible property that contains Confidential Information.

## **5. NON-COMPETITION COVENANT**

**5.1. Covenant.** During the term of your association with Franchisee and for two years thereafter, you will not directly or indirectly (including by or through any other person or entity) participate as an owner, director, officer, employee, consultant, licensor, licensee, distributor, or agent, or serve in any other capacity in any vehicle tire business (mobile or non-mobile) that replaces customers' tires and/or wheels, or any vehicle

detailing business (mobile or non-mobile), or any business that offers products or services that are essentially the same as, or substantially similar to, the products and services that are part of the System (defined broadly in this instance to include the Systems for both GoMobile Tires and GoMobile Detail regardless of the type of franchise you operate).

**5.2. Geographic Scope.** During the term of your association with Franchisee, the covenants described in Section 5.1 above shall apply worldwide. During the two-year period after your association with Franchisee, such covenants will apply within the Territory (as defined in Franchisee's Franchise Agreement), within a 50-mile radius of the Territory, and within a 50-mile radius of any location or designated territory where we operate or have granted the franchise to operate a GoMobile Tires or GoMobile Detail business.

**6. NON-DIVERSION OF BUSINESS.**

During the term of your association with Franchisee and for two years thereafter, you will not:

- A. divert or attempt to divert any of our business or any of our customers to any competing establishment;  
or
- B. do anything harmful to our goodwill associated with the Marks and System.

**7. REMEDIES: INJUNCTION AND DAMAGES.**

You acknowledge that any disclosure of Confidential Information will cause irreparable harm to us. You agree that it may be difficult to measure damage to us from any breach by you or your employees and agents of this Agreement. You agree that monetary damages may be an inadequate remedy for any such breach. Accordingly, you agree that if you breach or take steps preliminary to breaching this Agreement, we shall be entitled, in addition to all other remedies we may have at law or in equity, to a restraining order, temporary and permanent injunctive relief, specific performance, or other appropriate equitable relief, without showing or proving that we actual sustained any damage.

**8. MISCELLANEOUS**

**8.1. Duration.** The obligations set forth in this Agreement related to non-disclosure and non- use of Confidential Information will continue during and beyond the term of your relationship with the Franchisee and for as long as you possess any Confidential Information in any manner.

**8.2. Waiver.** A waiver of any breach of any provision, term, covenant, or condition of this Agreement will not be a waiver of any subsequent breach of the same or any other provision, term, covenant, or condition. Any waiver to this Agreement's provisions must be made in signed writing by the granting party.

**8.3. Governing Law.** This Agreement will be governed by the substantive laws of Oregon without regard to Oregon choice of law provisions. Oregon laws will prevail, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051, et seq.). This choice of laws will not include and does not extend the scope of application of any Oregon franchise or business opportunity laws except as they may otherwise apply pursuant to their terms and definitions. Any portion of this Agreement that requires enforcement in any other jurisdiction, and is enforceable under the laws of that jurisdiction but not of Oregon, will be construed and enforced according to the laws of that jurisdiction.

**8.4. Venue.** The venue for any action or legal proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement will be Washington County, Oregon. Each of the parties waives any objection to this venue provision.

**8.5. Injunctive Relief and Specific Performance.** Either party may obtain in any court of competent jurisdiction specific performance and injunctive relief to restrain a violation by the other party of any term or covenant of this Agreement.

**8.6. Remedies Not Exclusive.** No right or remedy conferred upon either party is exclusive of any other right or remedy in this Agreement or provided by law or equity. Each will be cumulative of every other right or remedy.

**8.7. Attorneys' Fees.** The prevailing party in any arbitration, insolvency proceeding, bankruptcy proceeding, suit,

or action to enforce this Agreement will recover its arbitration, proceeding, and court costs and reasonable attorneys' fees. These will be set by the arbitration, proceeding or court, including costs and attorneys' fees on appeal or review from the arbitration, proceeding, suit, or action. "Prevailing party" means the party who recovers the greater relief in the proceeding.

**8.8. Lawful Scope.** If, for any reason, any provision set forth in this Agreement exceeds any lawful scope or limit as to duration, geographic coverage, or otherwise, it is agreed that the provision will nevertheless be binding to the full scope or limit allowed by law or by a court of law.

IN WITNESS, the parties have executed this Agreement on the date written above.

**Franchisor:** GoMo Tires LLC  
Signed: \_\_\_\_\_

**You:** Franchisee \_\_\_\_\_  
Signed: \_\_\_\_\_

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title:

\_\_\_\_\_  
Title:

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Date:

**EXHIBIT K**  
**SBA FRANCHISE AGREEMENT ADDENDUM**

This Addendum is for use only with franchisees that are getting Small Business Administration (SBA) lender financing. This Addendum is subject to change based on requirements that the SBA may impose.

SOP 50 10 5(1). Appendix 9



**ADDENDUM TO FRANCHISE<sup>1</sup> AGREEMENT**

**THIS ADDENDUM** ("Addendum") is made and entered into on \_\_\_\_\_ 20\_\_ J by and between \_\_\_\_\_ ("Franchisor"), located at \_\_\_\_\_, and \_\_\_\_\_ ("Franchisee"), located at \_\_\_\_\_.

Franchisor and Franchisee entered into a Franchise Agreement on \_\_\_\_\_, 20\_\_, (such Agreement, together with any amendments, the "Franchise Agreement"). Franchisee is applying for financing(s) from a lender in which funding is provided with the assistance of the U. S. Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree that notwithstanding any other terms in the Franchise Agreement or any other document Franchisor requires Franchisee to sign:

**OF OWNERSHIP**

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor's consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the franchise interest or any portion thereof, the transferor will not be liable for the actions of the transferee franchisee.

**FORCED SALE OF ASSETS**

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchise location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the franchise term (excluding additional \_\_\_\_\_)

<sup>1</sup> While relationships established under license, jobber, dealer and similar agreements are not generally described as "franchise" relationships, if such relationships meet the Federal Trade Commission's (FTC's) definition of a franchise (see 16 CFR § 436), they are treated by SBA as franchise relationships for franchise affiliation determinations per 13 CFR § 121.301(f)(5).

SOP 50 10 5(J)

Appendix 9

**COVENANTS**

- If the Franchisee owns the real estate where the franchise location is operating, Franchisor has not and will not during the term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the Franchisee's real estate, they must be removed in order for the Franchisee to obtain SBA-assisted financing.

**EMPLOYMENT**

- Franchisor will not directly control (hire, fire or schedule) Franchisee's employees. For temporary personnel franchises, the temporary employees will be employed by the Franchisee not the Franchisor.

As to the referenced Franchise Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provided to the Franchisee.

Except by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

Franchisor and Franchisee acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729 -3733.

:

**Authorized Representative of FRANCHISOR**  
**Franchisor:** GoMo Tires LLC  
 Signed: \_\_\_\_\_

**Authorized Representative of FRANCHISEE**  
**You:** Franchisee \_\_\_\_\_  
 Signed: \_\_\_\_\_

\_\_\_\_\_  
 Name  
 \_\_\_\_\_  
 Title:  
 \_\_\_\_\_  
 Date:  
 \_\_\_\_\_

\_\_\_\_\_  
 Name  
 \_\_\_\_\_  
 Title:  
 \_\_\_\_\_  
 Date:  
 \_\_\_\_\_

**Note to Parties:** This Addendum only addresses "affiliation" between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the franchise system must meet all SBA eligibility requirements

# EXHIBIT L OPERATIONS MANUAL TOC

Franchise Operations Manual

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**EXHIBIT M  
CURRENT AND FORMER FRANCHISEES**

As of August 31, 2021:

GoMobile Tires Franchisees: 9

GoMobile Detail Franchisees: 0

LIST OF GOMOBILETIRES USA, LLC'S\* CURRENT GOMOBILE TIRES FRANCHISEES

As of August 31, 2021:

<b>CURRENT GOMOBILE TIRES FRANCHISEES</b>		
<b>Owner</b>	<b>Address</b>	<b>Phone</b>
David Szweda GMT FL LLC	5942 Richards Street, Jacksonville, FL 32216	904-907-0999
Chad Dearth GoMobile KC, LLC	13300 Grand View Overland Park, KS 66213	(913) 777-1547
David Luce GoMobile Tires Las Vegas, Inc.	429 Norridgewock St. Henderson, NV 89074	702-356-3600
Roderick Lozano Lozano Way LLC	P.O. Box 19716 Austin, TX 78760	(831) 239-2186
Freddy Trochez GoMobile Tires DFW, LLC	3100 Palmtree Dr. McKinney, TX 75070	(214) 578-3074
Joe Lee Treadlife Inc	3829 Birch Street, Newport Beach, CA, 92669	(949) 942-3464
Johnnie Millirones Strategic Visionaries LLC	8835 West Toronto Way, Tolleson, AZ, 85353	(623) 999-7836
Charles Strickland Stricks Tire Inc	10328 Battleview Parkway Manassas, VA, 20109	(703) 459-5556
Jason Sanders Value Operated Logistics Syndicate	1617 Pineola Avenue Kingsport, TN 37664	(865) 361-3100
Ryan Gifford	1634 E Northfield Drive, Ste 700 Brownsburg, IN 46112	(317) 998-1414

GoMobileTires USA, LLC is our affiliate.

LISTS OF AFFILIATE-OWNED\* GOMOBILE TIRES OUTLETS

As of August 31, 2020:

<b>CURRENT AFFILIATE-OWNED GOMOBILE TIRES OUTLETS</b>		
<b>Owner</b>	<b>Address</b>	<b>Phone</b>
Joe Flores	15142 Beach Blvd. Midway City, CA 92655	888-905-6624
GoMobileTires PDX, LLC	163 SW Freeman Avenue, Suite D Hillsboro, OR 97123 (GoMobile Tires – PDX) (Portland, OR)	971-533-0050

- \* Owned and operated by us, our affiliates, individuals listed in Item 2 of this disclosure document, or entities controlled by individuals listed in Item 2.

LISTS OF AFFILIATE-OWNED\* GOMOBILE DETAIL OUTLETS

As of August 31, 2021:

<b>CURRENT AFFILIATE-OWNED GOMOBILE DETAIL OUTLETS</b>		
<b>Owner</b>	<b>Address</b>	<b>Phone</b>
Wade Forsyth	Jacksonville, Florida	904 907 9888

- \* Owned and operated by us, our affiliates, individuals listed in Item 2 of this disclosure document, or entities controlled by individuals listed in Item 2.

**EXHIBIT N**  
**STATE LAW ADDENDUM TO FRANCHISE**  
**DISCLOSURE DOCUMENT AND FRANCHISE**  
**AGREEMENT**

**California**

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

Our website addresses are [www.GoMobileTiresUSA.com](http://www.GoMobileTiresUSA.com) and [www.GoMobileTires.com](http://www.GoMobileTires.com). **OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT [www.dfpi.ca.gov](http://www.dfpi.ca.gov).**

FDD Item 17, FA Sections 5, 6, 7 and 9

- (1) California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.
- (2) The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et. seq.).
- (3) The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
- (4) You must sign a general release 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 Code Sections 20000 through 20043).
- (5) The Franchise Agreement provides that all issues or disagreements relating to the Franchise Agreement will be mediated, tried, heard and decided in Washington County, Oregon with the costs being borne by the non-prevailing party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
- (6) The Franchise Agreement requires application of the laws of the State of Oregon. This provision may not be enforceable under California law.
- (7) Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form and containing such information as the Commissioner of Financial Protection and Innovation may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

FDD Item 3

Response to California 10 CCR Section 310.114.1(c)(3): Neither the franchisor nor any person or franchisebroker in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in that association or exchange.

FDD Item 6; Franchise Agreement Section 2.8

Late payment penalties and late charges will not exceed California's legal limit on interest rates, which is currently 10% annually.

FDD Item 17.r and Exhibit J (Confidentiality and Non-Competition Agreement); FA Section 6.7

Under Business and Professions Code Section 16600, covenants not to compete that extend beyond the termination of the franchise are not enforceable under California law.

FDD Item 5; Franchise Agreement Section 2.1

The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

**Georgia**

**DISCLOSURES REQUIRED BY GEORGIA LAW**

The State of Georgia has not reviewed and does not approve, recommend, endorse, or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

If, for any reason, any provision set forth in the Franchise Agreement (including those related to in-term and post-term covenants against competition and non-disclosure and non-use of confidential information) exceeds any lawful scope or limit as to duration, geographic coverage, specificity, or otherwise, it is agreed that the provision will nevertheless be binding to the full scope or limit allowed by law or by a court of law. Indeed, the parties acknowledge their desire and intent that such provisions be modified by a court or arbitrator to comply with Georgia law if needed. The duration, geographic coverage and scope allowable by law or court of law will apply to this Agreement.

**Idaho**

FDD Item 17, FA Section 9

The Franchise Agreement is hereby modified to provide for venue and jurisdiction in Idaho if the franchisee is an Idaho resident or a business entity organized under the laws of Idaho to the extent required by the Idaho Code, Title 29, Chapter 1, Section 29-110 (or its successor or replacement).

## **Illinois**

Illinois law governs the Franchise Agreement.

Payment of Initial Franchise Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial status.

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

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

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

"NATIONAL ACCOUNTS" EXIST IN THIS FRANCHISE SYSTEM. THE FRANCHISOR RESERVES THE RIGHT TO IDENTIFY AND ASSIGN "NATIONAL ACCOUNTS" TO FRANCHISEES. WHETHER YOU RECEIVE COMPENSATION FOR SERVICING A NATIONAL ACCOUNT IS SOLELY AT THE FRANCHISOR'S DISCRETION.

See the last page of this Exhibit for your signature.

## **North Dakota**

### FDD Item 17(c); Franchise Agreement Section 6

Item 17(c) of the Franchise Disclosure Document and Section 6 of the Franchise Agreement Requires the franchisee to sign a general release upon renewal of the franchise agreement. The North Dakota Securities Commissioner has determined this to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment law. This provision is hereby removed from Item 17(c) of the Franchise Disclosure document and Section 6 of the Franchise Agreement.

### FDD Item 17(i); Franchise Agreement Section 6

Item 17(i) of the Franchise Disclosure Document and Section 6 of the Franchise Agreement requires the franchisee to consent to termination or liquidation damages. The Commissioner has determined this to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise investment Law. This provision is hereby removed from Section 17(i) of the Franchise Disclosure Document and Section 6 of the Franchise agreement.

### FDD Item 17(r); Franchise Agreement Section 6

Item 17(r) of the Franchise Disclosure Document and Section 6 of the Franchise Agreement discloses the existence of certain covenants restricting competition to which franchisees must agree. The commissioner has held that covenants restricting competition are contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Covenants to not compete such as those mentioned above are generally considered unenforceable in the state of North Dakota.

### FDD Item 17(u); Franchise Agreement Section 9

Item 17(u) of the Franchise Disclosure Document and Section 9 of the Franchise Agreement provides that the franchisee must agree to the arbitration or mediation of disputes, such as arbitration or mediation to be held in

Texas. The commissioner has determined that franchise agreement, which provide that parties agree to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business, are unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. This provision is hereby amended to provide the site of arbitration or mediation to be agreeable to all parties and may not be remote from the franchisee's place of business.

#### FDD Item 17(v); Franchise Agreement Section 9

Item 17(v) of the Franchise Disclosure Document and Section 9 of the Franchise Agreement provides that franchisees must consent to the jurisdiction of courts in Texas. The Commissioner has held that requiring franchisees to consent to the jurisdiction of courts outside of North Dakota is unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. This provision is hereby removed from Section 17(v) of the Franchise Disclosure Document and Section 9 of the Franchise agreement.

#### FDD Item 17(w); Franchise Agreement Section 9

Item 17(w) of the Franchise Disclosure Document and Section 9 of the Franchise Agreement provides that the agreement shall be construed according to the laws of the State of Texas. This provision is hereby amended to replace the word "Texas" with "North Dakota" where applicable in section 17(w) of the Franchise Disclosure document and Section 9 of the Franchise Agreement,

#### FA Section 9

Section 9 of the Franchise Agreement may require the franchisee to consent to a waiver of exemplary and punitive damages. The commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. This provision is hereby removed form Section 9 of the Franchise agreement.

#### FDD Item 5; Franchise Agreement Section 2.1

The franchisor will defer collection of the initial franchise fees until the franchisor has fulfilled its initial pre-opening obligations to the franchisee and the franchisee is open for business.

### **South Dakota**

#### FDD Item 5; Franchise Agreement Section 2.1

The Securities Regulation Office requires that the franchisor defer the collection of all initial fees from South Dakota franchisees until the franchisor has completed all its pre-opening obligations and franchisee is open for business. For any development agreement, the payment of the development and initial fee attributable to a specific unit is deferred until that unit is open.

### **Virginia**

#### FA Section 9.9

In recognition of the restrictions contained in section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Gomo Tires LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 17.h.

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

## Washington

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

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

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

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

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

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

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

### FA 5.12.4

The following language is hereby stricken at the end of Franchise Agreement Section 5.12.4: "EVEN IF WE ARE AWARE OR HAVE BEEN ADVISED OF THE POSSIBILITY OF POTENTIAL LOSS OR DAMAGES."

### FDD Item 17p: FA Sections 6 and 7

To the extent Franchise Agreement Sections 6 and 7 give us the option to purchase your business, the purchase price will be paid in cash, in full, at the time of closing.

### FA Section 6.5.6

Franchise Agreement Section 6.5.6 is hereby amended to remove the “10% restocking charge.”FDD Item 17r:

FA 5.7.2 and Sections 6.7

The durations of the restrictive covenants in Section 5.7.2 of the Franchise Agreement and the post-term non-competition covenant in Section 6.7 of the Franchise Agreement are hereby amended to 18 months (rather than two years) and are otherwise limited to the extent necessary to comply with applicable Washington law.

FDD Item 5 FA 2.1

The franchisor will defer collection of the initial franchise fees until the franchisor has fulfilled its initial pre-opening obligations to the franchisee and the franchisee is open for business.

## Special Risks to Consider About *This Franchise*

**Use of Franchise Brokers.** The franchisor may use the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

The undersigned does hereby acknowledge receipt of this addendum.

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 Law Addendum 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.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

("we/us"): GoMo Tires LLC

("you"): \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Signed Personally: \_\_\_\_\_

Print Name: \_\_\_\_\_

## EXHIBIT O STATE EFFECTIVE DATES

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

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

State	Effective Date
California	August 31, 2022
Illinois	Pending
Indiana	May 20, 2022
Maryland	Pending
Michigan	September 28, 2021
Minnesota	Pending
North Dakota	Pending
Rhode Island	May 25, 2022
South Dakota	July 28, 2022
Virginia	Pending
Washington	Pending
Wisconsin	September 14, 2021

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.

## EXHIBIT P RECEIPT

This franchise disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If GoMo Tires LLC offers you a franchise, it must provide this franchise disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York and Rhode Island law require delivery at the earlier of the first personal meeting or at least 10 business days, and Michigan and Wisconsin law require delivery at least 10 business days, before signing/paying.

If GoMo Tires LLC does not deliver this franchise disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and State law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed in Exhibit C.

The name, principal business address, and telephone number of each franchise seller offering the franchise are Derek Naidoo, Managing Member, Shane Chetty, Franchise Business Development (Eastern United States), and Joe Flores, Franchise Business Development (Western and Central United States), GoMo Tires LLC, 163 SW Freeman Avenue, Ste D, Hillsboro, Oregon 97123, (503) 501-9106.

Our authorized agents for service of process are identified on Exhibit C to this Franchise Disclosure Document.

Date of Issuance: **January 06, 2022** (and effective as of the individual state registration dates reflected on the cover page).

I have received a disclosure document dated as indicated above that included the following Exhibits:

- A. Financial Statements
- B. Standard Franchise Agreement (with State Law Addendum)
- C. List of State Agents for Service of Process and State Administrators
- D. Conditional Assignment of Phone Number
- E. Abandonment, Relinquishment, and Termination of Assumed Business Name
- F. Electronic Funds Transfer Authorization
- G. Disclosure Acknowledgments and Agreement
- H. Form of General Release
- I. Personal Guaranty
- J. Confidentiality and Non-Competition Agreement
- K. SBA Franchise Agreement Addendum
- L. Operations Manual Table of Contents

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Signatures of All Prospective Franchisees:

Signature: \_\_\_\_\_ Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_ Print Name: \_\_\_\_\_

Name of Corporation/LLC/Partnership (if applicable): \_\_\_\_\_

By: \_\_\_\_\_ Title: \_\_\_\_\_

KEEP THIS COPY FOR YOUR RECORDS.

**Exhibit P** to GoMobile Tires / GoMobile Detail Franchise Disclosure Document

**RECEIPT**

This franchise disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If GoMo Tires LLC offers you a franchise, it must provide this franchise disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York and Rhode Island law require delivery at the earlier of the first personal meeting or at least 10 business days, and Michigan and Wisconsin law require delivery at least 10 business days, before signing/paying.

If GoMo Tires LLC does not deliver this franchise disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and State law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed in Exhibit C.

The name, principal business address, and telephone number of each franchise seller offering the franchise are Derek Naidoo, Managing Member, and Shane Chetty, Franchise Business Development (Eastern United States), and Joe Flores, Franchise Business Development (Western and Central United States), GoMo Tires LLC, 163 SW Freeman Avenue, Ste D, Hillsboro, Oregon 97123, (503) 501-9106.

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- H. Form of General Release
- I. Personal Guaranty
- J. Confidentiality and Non-Competition Agreement
- K. SBA Franchise Agreement Addendum
- L. Operations Manual Table of Contents

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Signatures of All Prospective Franchisees:

Signature: \_\_\_\_\_ Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_ Print Name: \_\_\_\_\_

Name of Corporation/LLC/Partnership (if applicable): \_\_\_\_\_

By: \_\_\_\_\_ Title: \_\_\_\_\_

PLEASE SIGN THIS COPY OF THE RECEIPT, DATE YOUR SIGNATURE, AND RETURN IT TO GOMO TIRES LLC, 163 SW Freeman Avenue, Ste D, Hillsboro, Oregon 97123 (or via electronic means as directed by GoMo Tires LLC).

EXHIBIT Q  
MINNESOTA STATUTES

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).
- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.
- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5