

## FRANCHISE DISCLOSURE DOCUMENT



**GoJoe Patrol Franchising LLC**  
a Washington limited liability company  
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We offer franchises for security businesses that provide security services to commercial and residential customers utilizing approachable and well-trained personnel and distinctive patrol vehicles that establish a deterrent to criminals (each a “GoJoe Patrol business”).

The total investment necessary to begin operation of a GoJoe Patrol business under a GoJoe Patrol Franchise Agreement (“Franchise Agreement”) is \$90,900 to \$152,100. This amount includes \$45,000 to \$60,000 that is payable to us. The total investment necessary to begin operation under a GoJoe Patrol Development Agreement (“Development Agreement”) where you agree to develop between three and five GoJoe Patrol businesses is \$25,500 to \$42,500. This includes \$24,000 to \$40,000 that is payable to us. You must agree to develop a minimum of three GoJoe Patrol businesses under the Development Agreement.

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 Chief Development Officer, Harry Sladich, 7011 E Trent Avenue, Suite 103, Spokane Valley, Washington 99212, 509-953-3196 or harry@gojoepatrol.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.

The issuance date of this Franchise Disclosure Document is April 28, 2025

## 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:

<b>QUESTION</b>	<b>WHERE TO FIND INFORMATION</b>
<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.
<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 E 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 GoJoe Patrol 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 GoJoe Patrol franchisee?</b>	Item 20 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 development agreement and the franchise agreement require you to resolve disputes with us by mediation and litigation in Washington. Out of state mediation and litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate and litigate in Washington than in your own state.

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

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

4. **Mandatory Minimum Payments**. You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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

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

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C	List of State Administrators and Agents for Service of Process
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**ITEM 1**  
**THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES**

This disclosure document describes GoJoe Patrol business franchises. In this disclosure document, “we,” “us,” and “our” mean GoJoe Patrol Franchising, LLC, the franchisor, and “you” and “your” means the purchaser of the franchise. If the purchaser of the franchise is a corporation, partnership, or limited liability company, then the term “you” means both the purchaser and the persons who own the franchised GoJoe Patrol business entity.

**The Franchisor**

GoJoe Patrol Franchising, LLC is a Washington limited liability company formed in August 2020. We do business under our corporate name and GoJoe Patrol. We do not conduct business under any other name. Our principal place of business is 7011 E Trent Avenue, Suite 103, Spokane Valley, Washington 99212. Our agents for service of process are listed in Exhibit C. We began offering franchises for GoJoe Patrol businesses in April 2021. As of December 31, 2024, there were two franchised GoJoe Patrol businesses in operation and our affiliate operated two GoJoe Patrol businesses. We do not operate any GoJoe Patrol businesses. We have never offered franchises in any other line of business.

**Our Parents, Predecessors, and Affiliates**

We do not have any predecessors or a parent company. Our affiliate, State Protection Services, Inc. (“SPS”), is a Washington corporation formed in July 1997, which shares our principal business address. SPS opened its first GoJoe Patrol business in August 2011, which we refer to in this disclosure document as an “Affiliate-Owned Business”. SPS owns the trademarks and intellectual property related to GoJoe Patrol businesses. We have a license from SPS to use and license such trademarks and intellectual property to our franchisees. SPS shares our principal business address has not offered franchises in any line of business.

**The GoJoe Patrol Franchise**

GoJoe Patrol businesses provide security services to commercial and residential customers utilizing approachable and well-trained personnel and distinctive patrol vehicles that establish a deterrent to criminals. GoJoe Patrol businesses are committed to the communities they serve by providing safety and security for citizens and property and by reducing their carbon footprint by purchasing carbon offset credits. Each franchised GoJoe Patrol business receives a protected territory (“Territory”) in which we will not operate or permit another franchisee to operate a GoJoe Patrol business. GoJoe Patrol franchisees are permitted to operate their business from a home office for their first six months of operation; however, thereafter they must operate from commercial office space ranging from 550 to 650 square feet in size with parking for two to four vehicles.

GoJoe Patrol businesses operate according to our proprietary operating system (the “System”). The distinguishing characteristics of the System include our standards, policies and procedures for: vehicles, uniforms and equipment for security personnel; office equipment and layout; operations, staffing and employee training; customer service; maintaining quality and consistency of service offering; information technology and software systems; sales, advertising, promotion, public relations, and social media; and copyrights and copyrighted materials (collectively, the “Proprietary Materials”). Our mandatory and recommended standards, policies and procedures are represented in our confidential and proprietary brand standards manual (the “Manual”), which we will make available to our franchisees during the term of their Franchise Agreement. We have the right to change the Manual and the elements of the System from time to time.

If you are awarded a franchise, you will sign the Franchise Agreement, the current form of which is attached as Exhibit A to this disclosure document, you will pay an initial franchise fee (see Item 5), and you

will receive a license to utilize our System and our service marks “GOJOE PATROL®” and our logo, as well as related trade names, service marks, trademarks, logos, emblems, and indicia of origin (the “Marks”). We and our affiliates may modify the Marks from time to time.

We also offer qualified persons and entities the opportunity to sign our Development Agreement to obtain the right to develop multiple GoJoe Patrol businesses within a specified geographic area (“Development Area”) according to a mandatory development schedule (“Development Schedule”). Our current form of Development Agreement appears in Exhibit B to this disclosure document. When you sign the Development Agreement, you will pay a development fee (see Item 5) for each GoJoe Patrol business that you agree to develop in the Development Area. Under the Development Agreement, you will have the right and the obligation to develop a specified number of GoJoe Patrol businesses by certain deadlines set forth in the Development Schedule. You will negotiate both the number of GoJoe Patrol businesses and the Development Schedule with us.

When you sign the Development Agreement, you will sign the Franchise Agreement for your first GoJoe Patrol business. You will sign our then-current form of Franchise Agreement for each additional GoJoe Patrol business that you develop under the Development Agreement. Our then-current form of Franchise Agreement may differ from the version of Franchise Agreement attached to this disclosure document. You must sign Franchise Agreements for and begin operating each GoJoe Patrol business on or before the deadlines listed in the Development Schedule.

#### Applicable Regulations

We are not aware of any laws or regulations applicable to a GoJoe Patrol business that would not apply generally to businesses providing security services. Certain jurisdictions may require you to obtain a license in order to operate a security business and may require your employees to be licensed or registered as security guards. As a GoJoe Patrol franchisee you are responsible to ensure your compliance with all applicable local, county, state and federal laws and regulations, which apply generally to the security services industry. These include health, discrimination, employment, sexual harassment and advertising laws. There are other laws and regulations applicable to businesses generally (such as the Americans with Disabilities Act, the Fair Labor Standards Act, and The Patriot Act) with which you must comply. You should consult with your attorney and local, county, state and federal government agencies concerning these and other laws and ordinances that may affect the operation of a GoJoe Patrol business before you sign a Franchise Agreement. You also must obtain all applicable permits and licenses required to operate the Business. We recommend that you examine and consider the impact of these and all applicable laws, regulations, and standards before entering into any agreement with us. It is your, and only your, responsibility, on a continuous basis to investigate and satisfy all local, county, state and federal laws as they vary from place to place and may change from time to time.

#### Competition

The market for security service providers is well established. GoJoe Patrol businesses will compete with other security service businesses, some of which may offer the same or similar services to those offered by GoJoe Patrol. These competitors may range from franchise systems, independents, chains, and other businesses offering similar services. In addition, many of these competitors may have substantial financial, marketing and other resources and they may already be well-established in your market.

## **ITEM 2** **BUSINESS EXPERIENCE**

President and General Counsel: Shawn Sladich

Ms. Sladich has served as our President and General Counsel since August 2020. She also has served as General Counsel of SPS since June 2004.

Executive Vice President of Franchise Operations and Training: Major Bambino

Mr. Bambino has served as our Executive Vice President of Franchise Operations and Training since August 2020. He also has served as Chief Executive Officer of SPS since April 2011. He was employed as Trooper Detective with the Washington State Patrol from April 1987 to April 2015 in various cities in Washington State. Mr. Bambino was employed part time with the Washington State Patrol as a background investigator from July 2015 to March 2020.

Chief Development Officer: Harry Sladich

Mr. Sladich has served as our Chief Development Officer since May 2021. From May 2010 to April 2021, he served as Executive Vice-President of Lodging Development and Franchise Operations for Red Lion Hotels Corporation in Denver, Colorado. Mr. Sladich has been an owner and partner in SPS since June 2004.

Chief Financial Officer and Treasurer: Corinna Bambino

Ms. Bambino has served as our Chief Financial Officer and Treasurer since August 2020. She has served as President of SPS since September 2011.

Executive Vice President of Operations: Deb Zimmerman

Ms. Zimmerman has served as the Executive Vice President of Operations for SPS in Spokane, Washington and Coeur d'Alene, Idaho since July 2023. She was Director of IT Systems for SPS from June 2017 to July 2023.

**ITEM 3**  
**LITIGATION**

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**

Development Fee

If you sign a Development Agreement, then you must pay us a development fee in the amount of \$8,000 for each GoJoe Patrol Business you agree to develop ("Development Fee"). We will insert the amount of this fee in the Development Agreement before signing it. The Development Fee is payable in one lump sum and is not refundable. You must agree to develop a minimum of three GoJoe Patrol businesses under the Development Agreement. We will apply a credit in the amount of \$8,000 to the Initial Franchise Fee that you will pay under each Franchise Agreement that you sign pursuant to the Development Agreement.

### Initial Franchise Fee

When you sign the Franchise Agreement, you must pay us an initial franchise fee in a lump sum, which shall be calculated as \$45,000 for a Territory containing a population of up to 500,000, plus \$300 for each additional 10,000 people ("Initial Franchise Fee").

If you develop multiple GoJoe Patrol businesses under a Development Agreement, then we will reduce the Initial Franchise Fee as follows: \$37,000 for the first GoJoe Patrol business; \$32,000 for the second through fourth GoJoe Patrol businesses, \$28,000 for the fifth and each additional GoJoe Patrol business; and you will not be required to pay the \$300 fee for each additional 10,000 people.

The Initial Franchise Fee is typically uniform for all franchises; however, we will reduce the Initial Franchise Fee by 20% for qualified veterans, law enforcement officers, and first responders for their first GoJoe Patrol business.

We have no obligation to refund the Initial Franchise Fee under any circumstances; however, if you are developing your first GoJoe Patrol Business and we terminate the Franchise Agreement based on the failure of your Operating Principal (as defined in Item 15) (and/or one of your owners if your Operating Principal is not one of your owners), or their replacement to attend and successfully complete our training program to our satisfaction, then we may, in our sole discretion, refund up to 50% of the Initial Franchise Fee. As a condition of any such refund, we may require that you and your owners sign a general release of all claims.

### Transfer Training Fee

If you acquire your GoJoe Patrol Business through a transfer, then your Operating Principal will be required to attend the GoJoe Patrol training program and in lieu of paying an Initial Franchise Fee, you will pay a transfer training fee in the amount of \$5,000.

\* \* \* \* \*

These fees referenced in this Item 5 are typically uniform for all new franchisees in the System; however, in certain circumstances, we may reduce or waive a fee. Unless otherwise specified above, these fees are non-refundable.

### **ITEM 6** **OTHER FEES**

<b>Type of Fee (Note 1)</b>	<b>Amount</b>	<b>Date Due</b>	<b>Remarks</b>
Royalty Fee	5% of Gross Sales until the third anniversary of the signing of the Franchise Agreement when the Royalty Fee will be the greater of 5% of Gross Sales or a minimum royalty fee of \$3,540	5 <sup>th</sup> day of each month	See Note 2 for a definition of Gross Sales. See Note 3 for an explanation of our electronic funds transfer process.

Type of Fee (Note 1)	Amount	Date Due	Remarks
Brand Fund Contribution	Currently, 2% of Gross Sales	Same as Royalty Fee	We have the right to alter the amount of the Brand Fund contribution, however, your aggregate marketing contributions to the Brand Fund and a Cooperative (as defined below) along with your local marketing expenditures will not exceed 3% of Gross Sales. Please see Item 11 for further details.
Local Marketing Expenditures	Currently, at least 1% of annual Gross Sales	Ongoing	You must report your local marketing expenditures to us on a quarterly basis. If you don't spend the required amount on an annual basis, then we may require you to spend such amount on local marketing or contribute such amount to the Brand Fund. Please see Item 11 for further details.
Cooperative Contributions	Currently, 0% of Gross Sales	Ongoing	We have the right to establish marketing cooperatives ("Cooperatives") in your region to which you will contribute up to 1% of Gross Sales, which amount will result in a corresponding reduction in your local marketing expenditures. The voting power in any Cooperative for our Affiliate-Owned Businesses will be the same as the voting power of our franchised businesses. Please see Item 11 for further details.
Technology Fund Contribution	Currently, 0.5% of Gross Sales	Same as Royalty Fee	We will use the Technology Fund to develop and implement technology policies and procedures to enhance the System and prevent technological stagnation or obsolescence. See Item 11 for additional information regarding the Technology Fund.
Collection Costs and Expenses	Amount incurred	Upon demand	You must pay our collection costs and expenses, which include collection agency fees, costs incurred in creating reports demonstrating Gross Sales, attorney's fees, and related expenses we incur in enforcing the terms of the Franchise and Development Agreements.
Convention Registration	Up to \$1,000 per attendee (currently \$750)	As incurred	Your Operating Principal must attend our annual convention, regional meetings and conferences.

<b>Type of Fee (Note 1)</b>	<b>Amount</b>	<b>Date Due</b>	<b>Remarks</b>
Customer Complaints	Our reasonable costs and expenses	Upon demand	You must reimburse us for our reasonable costs and expenses incurred in resolving customer complaints.
Early Termination Damages	The average monthly Royalty Fees and Brand Fund contributions that you owed for the 12 month period prior to termination multiplied by the lesser of 36 months or the number of months (including any partial month) remaining in the term of the Franchise Agreement.	Within 30 days following the termination	Payable if you default on your obligations and we terminate the Franchise Agreement prior to the expiration of the initial term of the Franchise Agreement.
Enforcement Expenses	Reasonable cost of our attorneys' fees and expenses	Upon demand	Due only if we obtain injunctive or other relief for the enforcement of any term of the Franchise Agreement.
Indemnification	Will vary under circumstances	As incurred	You must reimburse us if we incur any expense, including attorneys' fees and other costs, or are held liable for claims arising out of the operation of your GoJoe Patrol business.
Interest	1.5% per month or the maximum rate permitted by applicable law, whichever is less.	With payment of overdue amount	We calculate interest from the date the payment was due until paid in full.
Management Fee	The greater of two times the weekly salary of your Operating Principal or 10% of the weekly Gross Sales of the business	Weekly	Payable if your Operating Principal dies or becomes incapacitated and we elect to take over operation of your GoJoe Patrol business until you transfer the business.
Public Offering	Our reasonable costs and expenses associated with reviewing the proposed offering	With submission of offering materials for our review	Payable if you intend to offer securities to investors. This is in addition to the regular transfer fee. You also must reimburse us on an annual basis for our reasonable costs and expenses associated with providing information for your annual reports.
Quality Assurance Programs	Our out of pocket costs	As incurred	You must pay costs that we incur to third parties to carry out quality assurance programs at your GoJoe Patrol Business.
Reimbursement for Examination or Audit	Actual cost of audit, including travel, lodging, wages and reasonable accounting and legal costs	Upon demand	Payable only if an examination or audit reveals an understatement of the Gross Sales of your GoJoe Patrol Business of 2% or more. This is in addition to applicable interest and late fees.

Type of Fee (Note 1)	Amount	Date Due	Remarks
Relocation Fee	\$1,000, plus our reasonable expenses incurred in connection with the relocation	Upon demand	Payable if we approve your request to relocate your office.
Software License Fees	Currently, \$1,300 per month	Upon demand	These license fees are pass-through costs we pay to the vendors of the software that we require you to have to operate your GoJoe Patrol Business.
Successor (Renewal) Franchise Fee	25% of the Initial Franchise Fee that you paid for your initial term	Upon execution of a successor franchise agreement	If you choose to and are approved to continue operating your GoJoe Patrol Business for a successor term, then you must sign our then-current form of successor franchise agreement.
Supplier Evaluation	Reasonable costs of evaluation	Upon demand	Payable whether or not we approve the supplier. Please see item 8 for additional details.
Taxes	Amount imposed on us	Upon demand	You must reimburse us for any taxes, fees or assessments imposed on us for acting as a franchisor or licensing the Marks to you.
Training – Additional Programs	Currently, \$500 a day for on-going or remedial training (if we conduct the training at your office, you also must pay our travel, meals and lodging expenses)	Upon demand	We have the right to charge you reasonable training fees for additional training programs that we administer during the term of your Franchise Agreement.
Transfer Fee – Development Agreement	25% of our then current Development Fee for each GoJoe Patrol Business option that is pending or greater amount that is necessary to reimburse us for our costs to review the transfer application	Upon demand	Payable if you propose to sell or transfer the Development Agreement or an ownership interest. See Note 4.
Transfer Fee – Franchise Agreement	\$10,000 or greater amount that is necessary to reimburse us for our costs to review the transfer application	Upon demand	Due only if you propose to sell or transfer your GoJoe Patrol business, the Franchise Agreement or an ownership interest. See Note 4.

**Notes to Item 6 table:**

1. **Fees.** Unless otherwise noted, all of the fees or charges described in this Item derive from the Franchise Agreement. Unless otherwise noted, all fees are non-refundable and payable to us. Generally, all fees are uniformly imposed on our franchisees, however, in certain unique circumstances; we may reduce or waive a fee for a particular franchisee.
2. **Gross Sales.** “Gross Sales” means the aggregate amount of all revenues generated from the sale of all services, products, merchandise and all other income of every kind related to the GoJoe Patrol

business (including the proceeds from business interruption insurance), whether for cash or credit (and regardless of collection in the case of credit). The following are not included in Gross Sales: (a) the amount of any refunds, credits, allowances and adjustments; (b) the amount of any sales taxes or other taxes collected from customers and paid directly to the appropriate taxing authority; (c) proceeds from insurance with respect to property damage or liability; (d) proceeds from any civil forfeiture, condemnation or seizure by governmental entities; and (e) uncollectable amounts subject to the limitation that uncollectable amounts cannot exceed one half of one percent (0.5%) of Gross Sales for any fiscal year and subsequent collections of charged off amounts must be included in Gross Sales when collected. We reserve the right to modify our policies consistent with industry practices regarding revenue recognition, revenue reporting, and the inclusion in or exclusion of certain revenue from “Gross Sales” as circumstances, business practices, and technology change.

3. **Account.** You must designate an account at a commercial bank of your choice (the “Account”) for the payment of amounts due to us and/or our affiliates, including but not limited to Royalty Fees, Brand Fund contributions, and Technology Fund contributions. You must furnish us and the bank with authorizations as necessary to permit us to make withdrawals from the Account by electronic funds transfer. On the fifth day of each month, we will transfer from the Account an amount equal to the Royalty Fees, Brand Fund contributions, and Technology Fund contributions due from you based on the Gross Sales of your GoJoe Patrol business for the preceding month, as well as any other fees due to us and/or our affiliates. You must maintain sufficient funds in the Account at all times to cover all Royalty Fees, Brand Fund contributions, and Technology Fund contributions and other fees payable to us or our affiliates. If funds in the Account are insufficient to cover the amounts payable at the time we make our electronic funds transfer, then the amount of the shortfall will be deemed overdue.
4. **Transfer Fee.** We will waive the transfer fee if the transfer is to a transferee who: (a) has been a franchisee of another GoJoe Patrol business for at least three years who is in good standing with us; (b) has managed a GoJoe Patrol business for at least three years; (c) will own less than a 20% ownership interest in you, provided that after the transfer the Continuity Group (as defined in Item 15) retains at least a 66% ownership interest in you. We will not charge a transfer fee if you transfer the agreement to a corporation or limited liability wholly owned by you.

**ITEM 7**  
**ESTIMATED INITIAL INVESTMENT**

**TABLE 1**  
**YOUR ESTIMATED INITIAL INVESTMENT**  
**FOR A GOJOE PATROL BUSINESS UNDER A FRANCHISE AGREEMENT**

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is Made
	Low	High			
Initial Franchise Fee (Note 1)	\$45,000	\$60,000	Lump sum	At signing of Franchise Agreement	Franchisor
Furniture and Fixtures (Note 2)	\$650	\$1,500	As incurred	Before opening	Suppliers
Computer, Communications Devices, Internet (Note 3)	\$4,900	\$7,400	Lump sum	Before opening	Franchisor, Suppliers
Vehicle(s) (Note 4)	\$5,700	\$8,800	As incurred	Before opening	Suppliers
Professional Fees (Note 5)	\$500	\$2,000	As arranged	Before and after opening	Attorney, Accountant

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is Made
	Low	High			
Pre-Opening Travel (Note 6)	\$1,500	\$2,500	As incurred	Before opening	Airlines, Hotels, Car Rental, etc.
Market Introduction (Note 7)	\$10,000	\$25,000	As incurred	Before opening	Suppliers
Business Permits and Licenses (Note 8)	\$500	\$3,000	Lump sum	Before opening	Gov't agencies
Rent (Note 9)	\$0	\$8,000	As arranged	Before opening	Landlord
Office Supplies and Stationery (Note 10)	\$250	\$400	As incurred	Before opening	Suppliers
Employee Uniforms and Equipment (Note 11)	\$400	\$2,000	As incurred	Before opening	Approved Suppliers
Insurance and other pre-payments (Note 12)	\$3,500	\$6,500	As incurred	Before opening	Various
Miscellaneous (Note 13)	\$3,000	\$4,000	As incurred	Before and after opening	Various
Additional Funds (Note 14)	\$15,000	\$21,000	As incurred	After opening	Various
Total (Note 15)	\$90,900	\$152,100			

**Notes to Table 1:**

1. **Initial Franchise Fee.** The low estimate is for a Territory with a population of 500,000 people and the high estimate is for a Territory with a population of 666,660 people. We will reduce the Initial Franchise Fee by 20% for qualified veterans, law enforcement officers, and first responders for their first GoJoe Patrol business.
2. **Furniture and Fixtures.** This estimate is for the cost of your office furniture and fixtures such as a desk, chairs, file cabinets, and task lighting. The size and configuration of your office space may affect your actual costs.
3. **Computer, Communications Devices, Internet.** This range of costs is for the computers, printer, and other communications devices that we require for the operation of your GoJoe Patrol business and high speed internet access. It also includes three months of the licensing fees for the software that we require you to have to operate the Business (\$3,900 for three months). The monthly software license fees commence once the Franchised Business opens.
4. **Vehicle(s).** We require that you have one-vehicle that meets our standards when you open your business. The lower estimate represents placing 20% down on purchasing a used (and approved vehicle) for approximately \$18,000. The higher estimate represents placing 20% down on two new vehicles (approximately \$32,000 each). Given the large number of miles that are driven in your business, we do not recommend leasing a vehicle. These figures also include the cost of wrapping the vehicles and outfitting the vehicles with GPS, a 360 camera, and light bar.
5. **Professional Fees.** These fees are representative of the costs to engage professionals for the start-up of a GoJoe Patrol business. We strongly recommend that you seek the assistance of an experienced franchise attorney and accountant for the initial review and resulting advisories concerning this franchise opportunity, this disclosure document, and subsequently, the Franchise Agreement. It is also advisable to consult these professionals to review any lease or other contracts that you will enter into

as a part of starting your GoJoe Patrol business. We also require that you conduct background checks on your employees who will be providing security services. The estimated rates in this chart are based upon professional fees typically charged in the Spokane, Washington area. It is best to have a clear understanding from your professional advisors of the services they will provide and their fees for providing such services prior to engaging them to perform any services on your behalf.

6. **Pre-Opening Travel.** We do not charge tuition or a materials charge for our initial training program; however, you are responsible for all other costs associated with you and your personnel's attendance at the training program. Your costs will vary, depending upon your point of origin, method of travel, class of accommodation, and living expenses (food, transportation, etc.). These estimates cover the cost of any transportation, accommodation and meals incurred during the training period. The five-day training program will be held at our headquarters in Spokane, Washington or another location of our choosing. The lower estimate in this range covers moderately priced travel expenses, while the higher estimate covers higher priced flights, rental car, and accommodations. Your choice of mode of travel and level of accommodations will determine your total cost for attending our initial training program and may be higher than what is estimated here.
7. **Market Introduction.** This estimate covers the costs of the Market Introduction Program. See Item 11 for more information.
8. **Business Permits and Licenses.** You are responsible for obtaining and maintaining all required permits and licenses necessary to operate your GoJoe Patrol Business. This estimate is based on our affiliate's experience in opening and operating a GoJoe Patrol business in the greater Spokane, Washington area. You will need to check with your advisors and state and local government authorities regarding these requirements.
9. **Rent.** If this is your first Go Joe Patrol business, then we will allow you to operate from a home office for the first six months. No later than your seventh month of operation you must locate in commercial office space. This range of expense assumes a prepayment of three months of rent, based upon an office location with between 550 and 650 rentable square feet and parking for two to four vehicles with easy ingress and egress to main roads. Since real estate values vary dramatically from region to region, we cannot accurately estimate your rent. These estimated rental amounts are indicative of an office location in the greater Spokane, Washington area with an annual leasing rate of between \$10.00 and \$20.00 per rentable square foot. Pre-paid rent is generally non-refundable, while security or other deposits may be refundable either in full, or in part, depending upon the lease contract.
10. **Office Supplies and Stationery.** These estimates include the cost of printing materials such as presentations and brochures, business cards, contracts, and supplies that are needed to open your GoJoe Patrol business.
11. **Employee Uniforms and Equipment.** You must provide your security personnel with uniforms and protective equipment from our approved suppliers. The lower estimate is for the cost of providing the required uniforms and equipment to one employee and the higher estimate is for two employees. Armed guards would trend toward the higher estimates.
12. **Insurance and Other Prepayments.** You are required to obtain and maintain the minimum amount of insurance specified in Item 8 of this Disclosure Document. This estimate is for pre-payment of six months insurance. An insurance deposit may be required by the issuing company in order to obtain the minimum insurance as required. You will need to check with your local carrier for actual premium quotes and costs, as well as the actual cost of the deposit. The cost of coverage will vary based upon the area in which your office will be located, your prior experience with the insurance carrier, the loss experience of the carrier, and other factors beyond our control. You should also check with your insurance agent or broker regarding any additional insurance that you may wish to carry above our stated minimums.
13. **Miscellaneous.** This estimate is for additional supplies and expenses that you may have in beginning your GoJoe Patrol business. Also included in this estimate are utility deposits and pre-payments, other

pre-opening and opening costs, and the cost of the purchase of carbon offsets for the first year of operation. Utility deposits may be required for first time customers and the issuing utility company may conduct a credit check before beginning services. These costs will vary and are due to the type of services required for the facility and the municipality from which the service is being contracted. We recommend that you check the requirements in your local area.

14. **Additional Funds.** This is an estimate of the additional funds you may need to operate your business during the first three months after you open your GoJoe Patrol business. This estimate is based upon our affiliate's experience in opening and operating GoJoe Patrol Businesses. The estimate includes such items as payroll, initial payroll taxes, Royalty Fees, Brand Fund contributions, professional and accounting fees, additional advertising, insurance, health insurance and workers' compensation, rent, repairs and maintenance, bank charges (including interest), miscellaneous supplies and equipment, initial staff recruiting and training expenses, state tax and license fees, depreciation and amortization, deposits and prepaid expenses (if applicable) and other unforeseen items. Additional operating expenses will be incurred in connection with the ongoing operation of your Business.
15. **Your Estimated Initial Investment.** Costs paid to us are not refundable, except as specifically described above. Whether any costs paid to third parties are refundable will vary based on the practice in the area where your GoJoe Patrol business is located. We do not provide any direct or indirect financing for the Initial Franchise Fee or other fees and costs paid to us or to third parties. If you meet the credit requirements determined by third party vendors, then you may be able to obtain financing. The availability and terms of financing will depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and lending policies of the financial institutions from which you request a loan. We do not determine the terms and conditions of any financing and we do not provide any guarantees for any financing provided to you by third parties.

**TABLE 2  
YOUR ESTIMATED INITIAL INVESTMENT  
UNDER A DEVELOPMENT AGREEMENT FOR THREE TO FIVE GOJOE PATROL BUSINESSES**

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is Made
	From	To			
Development Fee (Note 2)	\$24,000	\$40,000	Lump sum	At signing of Development Agreement	Us
Business Plan Preparation/ Miscellaneous Expenses (Note 3)	\$1,500	\$2,500	As incurred	As incurred	Third parties
Total	\$25,500	\$42,500			

**Notes to Table 2:**

1. **Amount and Method of Payment.** Costs paid to us are not refundable, except as specifically described below. Whether any costs paid to third parties are refundable will vary based on the practice in the Development Area. We do not provide any direct or indirect financing for the Development Fee or other fees and costs paid to us or to third parties. If you meet the credit requirements determined by third party vendors, then you may be able to obtain financing. The availability and terms of financing will depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and lending policies of the financial institutions from which you request a loan. We do not

determine the terms and conditions of any financing and we do not provide any guarantees for any financing provided to you by third parties.

2. **Development Fee**. You will sign a Development Agreement to reserve a Development Area in which you will develop multiple GoJoe Patrol businesses under a Development Schedule. These amounts estimate that you will enter into a Development Agreement to develop three to five GoJoe Patrol businesses. Your estimated initial investment under the Development Agreement will vary depending on the number of GoJoe Patrol businesses you agree to develop. No part of this initial investment is refundable, although we will provide a credit in the amount of the development fee paid for each business to your Initial Franchise Fees when you sign a Franchise Agreement for that business. You do not receive any rights to operate a GoJoe Patrol business under the Development Agreement. All such rights are granted only under a Franchise Agreement. You will incur the estimated initial investment costs listed in Table 1 above for each GoJoe Patrol businesses that you operate under a Franchise Agreement.
3. **Business Plan Preparation/Miscellaneous Expenses**. We strongly recommend that you develop your own business plan and budget and investigate specific costs in your area.

## **ITEM 8** **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

### **System Standards**

In order to protect our reputation and goodwill and to maintain high standards of operation under the System, you must operate your GoJoe Patrol business in strict conformance with the methods, standards, and specifications we prescribe from time to time in the Manual or otherwise in writing. The System standards may relate to any aspect of the operation of the GoJoe Patrol Business.

### **Required Purchases of Goods and Services**

You must offer for sale all services and products that we designate as required items. You will at all times maintain a complete inventory of approved items and supplies necessary for operating your GoJoe Patrol Business and providing services to customers. You may also offer for sale any optional services and products that we have approved in writing for sale in a GoJoe Patrol Business; however, you may not offer or sell any unapproved services or products without our prior written consent. You must provide services only using the methods that we have approved. You must discontinue selling or offering for sale any services or products which we, in our sole discretion, disapprove in writing at any time. Within 30 days after receipt of written notice from us, you must begin selling any newly approved services and products and cease selling any services and products that are no longer approved.

You must purchase your products, supplies, equipment, furnishings, promotional items, information technology services, credit card processing services, and other products and services that you purchase for operation of or sale in your GoJoe Patrol Business in accordance with our specifications and quality standards and, if applicable, only from suppliers we have approved ("Authorized Suppliers"), which may include us or our affiliates. We and our affiliates may earn a profit on products and services sold to you and other GoJoe Patrol franchisees, and may receive rebates or other consideration from unaffiliated suppliers with respect to their sales of services or products to you or other GoJoe Patrol franchisees, whether or not the product or service is presently mentioned in this Item.

If we require you to use an Authorized Supplier for a particular item, but you wish to purchase the item from a supplier that we have not approved, then you may submit a written request for approval of the alternate supplier, unless it is an item for which we have designated a particular vendor as the source for the particular product or service. We will provide our standards and specifications to you or to the proposed supplier, subject to the supplier's execution of a confidentiality agreement in a form acceptable to us. We have the right to inspect the proposed supplier's facilities and to require delivery of product samples either

to us or to an independent laboratory designated by us for testing. You may be required to pay a fee, which will not exceed our reasonable costs incurred in evaluating the supplier, regardless of whether or not we approve the supplier. You may not purchase, sell, or offer for sale any services or products of the proposed supplier until you receive our written approval of the proposed supplier. We generally will give you written notice of approval or disapproval of the proposed supplier within 30 days after receiving your request and completion of evaluation and testing, if required. You may not sell or offer for sale any services or products of the proposed supplier until you receive our written approval.

We have the right to revoke approval of particular suppliers if we determine that the suppliers or their services or products no longer meet our standards. Upon receipt of written notice of revocation, you must stop buying from the disapproved supplier. In addition, if we revoke our approval of the products because they fail to meet our standards, then you may be required not to use your remaining inventory of those products.

None of our owners, officers, or directors own an interest in any suppliers of services or products to our franchisees.

In our fiscal year ended December 31, 2024, we and our affiliates did not receive any rebates or payments from Authorized Suppliers on account of franchisee purchases or leases of required and approved items from those suppliers. In our fiscal year ended December 31, 2024, we received \$19,016 in software license fees from our franchisees, which is 10% of our 2024 revenues of \$190,622. We passed 100% of these software license fees on to the software license vendors.

There currently are no purchasing or distribution cooperatives. We and our affiliates may negotiate purchase arrangements with suppliers (including price terms) for the benefit of our franchisees and our affiliates for the items and services that you may obtain only from Authorized Suppliers. In doing so, we and our affiliates seek to promote the overall interests of the System. We do not provide material benefits to you (for example, renewal or granting additional franchises) based on your purchase of particular services or products or use of particular suppliers.

### **Technology Systems**

For each GoJoe Patrol business, you must purchase, install, and use certain brands, types, makes, and/or models of communications, computer and technology systems, and hardware to be used by, between, or among GoJoe Patrol businesses, and in accordance with our standards, including: an office computer; smartphones for each vehicle; computer related equipment; communications devices; high speed internet service; printers; telephone, voice messaging, retrieval, and transmission systems; audio/visual equipment; and software systems that we specify in writing from time to time. Please see Item 11 for further information on our technology system requirements.

### **Lease**

If you lease the premises for your office, then you must submit the proposed lease to us for approval before you sign it and you must use our form of Lease Addendum attached as Exhibit E to the Franchise Agreement. See Item 11 under the heading "Site Selection" for additional details.

### **Insurance**

Before undertaking any activities in connection with your franchise, you must obtain and maintain insurance which you determine is necessary or appropriate for liabilities caused by or occurring in connection with the development or operation of your GoJoe Patrol business, which shall include, at a minimum, insurance policies of the kinds, and in the amounts, required by your Franchise Agreement and the Manual. This insurance must protect you, us, and our affiliates, officers, directors, shareholders and employees against all claims for personal injury, death, or property damage, or any loss, liability or expense arising from the operation of your GoJoe Patrol Business.

All insurance policies must be written by a carrier with an industry rating of A+ by A.M. Best and Company, Inc. (or any similar criteria that we periodically specify). Liability policies must name us and our affiliates as an additional insured, and must provide us with 30 days' prior written notice of termination, expiration or cancellation of the policy. You must provide us with certificates of insurance evidencing the proper types and at least the minimum amounts of coverage that we require.

Currently we require the following insurance:

<b>TYPE OF INSURANCE POLICY</b>	<b>COVERAGE REQUIREMENTS</b>
Commercial General Liability	Each Occurrence – \$1,000,000 General Aggregate Limit - \$3,000,000
Automobile Liability	\$1,000,000
Cyber Security	\$1,000,000
Worker's Compensation	Statutory Amount
Employment Practices	Each occurrence – \$1,000,000 Aggregate Limit - \$1,000,000
Umbrella Policy	Aggregate Limit - \$2,000,000

We have the right to increase the amounts of coverage required and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, new risks, changes in the law or standards of liability, higher damage awards or other relevant changes in circumstances.

All public liability and property damage policies must contain a waiver by the insurance company of subrogation rights against us and our affiliates, successors and assigns. If you fail to maintain the required coverage, then we have the right (but no obligation) to obtain insurance on your behalf. If we do so, then you must immediately reimburse us for the cost of insurance, plus a reasonable fee for our services.

We estimate that you will purchase 75% to 90% of the products and services that are necessary to establish your GoJoe Patrol business from approved suppliers that are subject to our standards and specifications. After you open your GoJoe Patrol business, we estimate that you will purchase 75% to 90% of the products and services that are necessary to operate your GoJoe Patrol business from approved suppliers that are subject to our standards and specifications.

**ITEM 9**  
**FRANCHISEE'S OBLIGATIONS**

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

<b>Obligation</b>	<b>Section in Franchise Agreement and Development Agreement</b>	<b>Disclosure Document Item</b>
a. Site selection and acquisition/lease	FA: 3.2 – 3.4 DA: 3.2	5, 7, 8, 11 and 12
b. Pre-opening purchases/ leases	FA: 3.3-3.6 and 11 DA: Not Applicable	5, 7, 8 and 12
c. Site development and other pre-opening requirements	FA: 3 DA: 3	5, 6, 7, 8, 11 and 12

<b>Obligation</b>	<b>Section in Franchise Agreement and Development Agreement</b>	<b>Disclosure Document Item</b>
d. Initial and ongoing training	FA: 6 DA: Not applicable	6, 7 and 11
e. Opening	FA: 3.6 DA: Not Applicable	11
f. Fees	FA: 3.2, 3.7, 4, 6.4, 8.4, 8.10, 8.14.2, 8.17, 10, 11.3.1, 12.3, 16.4, 16.7 and 18.3 DA: 2	5, 6 and 7
g. Compliance with standards and policies/Operating Manual	FA: 7, 8 and 10 DA: 3	11 and 14
h. Trademarks and proprietary information	FA: 13 DA: Not Applicable	13 and 14
i. Restrictions on products/ services offered	FA: 8.2 - 8.6 DA: Not Applicable	8 and 16
j. Warranty and customer service requirements	FA: 8.3 and 8.14 DA: Not Applicable	Not Applicable
k. Territorial development and sales quotas	FA: 2.3 DA: 1.2, 1.3., 1.4 and 3.1	1 and 12
l. Ongoing product/service purchases	FA: 8.2 DA: Not Applicable	6, 7 and 8
m. Maintenance, appearance and remodeling requirements	FA: 8.9 and 9.2 DA: Not Applicable	11
n. Insurance	FA: 11 DA: Not Applicable	7 and 8
o. Advertising	FA: 10 DA: Not Applicable	6 and 11
p. Indemnification	FA: 21.2 DA: 8	Not Applicable
q. Owner's participation/ management/staffing	FA: 6, 8.15,14 and Exhibit B DA: 4	11 and 15
r. Records and reports	FA: 12 DA: Not Applicable	6
s. Inspections and audits	FA: 8.9, 8.10 and 12.3 DA: Not Applicable	6 and 11

<b>Obligation</b>	<b>Section in Franchise Agreement and Development Agreement</b>	<b>Disclosure Document Item</b>
t. Transfer	FA: 16 DA: 6	17
u. Renewal	FA: 18 DA: Not Applicable	17
v. Post-termination obligations	FA: 20 DA: 7.4	17
w. Non-competition covenants	FA: 15 DA: 5.2	17
x. Dispute resolution	FA: 26 DA: 8	17
y. Other – Personal Guarantee	FA: Exhibit C DA: Not Applicable	15

**ITEM 10**  
**FINANCING**

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

**ITEM 11**  
**FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING**

**Except as listed below, GoJoe Patrol Franchising, LLC is not required to provide you with any assistance.**

**Our Obligations Prior to Opening.** Before your GoJoe Patrol Business opens, we will:

1. Provide you with general site selection criteria for your office. (*Franchise Agreement, Section 3.2.1*)
2. Review the terms of the lease for your office premises. (*Franchise Agreement, Section 3.4*)
3. Provide specifications for equipment, vehicles, vehicle wraps and magnetic signage, fixtures, furniture, décor items, lighting, utilities and hookups, inventory, layout, and interior and exterior signage and provide you with a list of approved suppliers for these items. We do not deliver or install these items. (*Franchise Agreement, Sections 3.5 and 5.1*)
4. Provide the Manual on loan for the term of the Agreement. (*Franchise Agreement, Sections 5.2 and 7*) The table of contents for the Manual appears in Exhibit D of this disclosure document. As of the issuance date of this disclosure document, the Manual contains 159 pages.
5. Provide a training program for your Operating Principal (and one of your owners if your Operating Principal is not an owner). See below under “Training.” (*Franchise Agreement, Sections 5.3 and 6*)
6. Provide pre-opening and opening supervision and assistance, as we deem advisable. (*Franchise Agreement, Section 5.4*)

7. Provide a recommended marketing and sales blitz plan template and approved marketing materials for use during the Market Introduction Period, as described below under “Advertising.” (*Franchise Agreement, Section 10.2*)

**Continuing Obligations.** After your GoJoe Patrol Business opens, we will:

1. Establish and administer House Account arrangements (see Item 16). (*Franchise Agreement, Section 2.3.4*)
2. Administer the Brand Fund and make available to you for purchase any advertising and promotional materials that we may produce independently from the Brand Fund that you can adapt for your business (*Franchise Agreement, Sections 5.6 and 10.4*)
3. Provide advice and written materials concerning techniques of managing and operating a GoJoe Patrol business. (*Franchise Agreement, Section 5.7*)
4. We will provide a list of Authorized Suppliers and review suppliers that you nominate. (*Franchise Agreement, Sections 5.5 and 8.4*)
5. We will provide to you from time to time, as we deem appropriate, advice and written materials concerning techniques of managing and operating a GoJoe Patrol Business. (*Franchise Agreement, Section 5.7*)

### **Site Selection and Buildout of Your Office**

The procedure for securing a site and building out your office, at your own expense, is outlined in Section 3 of the Franchise Agreement and Section 1.2 of the Development Agreement. For your first GoJoe Patrol business, we will permit you to operate from a home office for six months after the date of the Franchise Agreement, provided your home office is located in a space separate from your living space and used only for operating your GoJoe Patrol business. Prior to the seven month anniversary of the date of the Franchise Agreement, you must acquire a possessory or leasehold interest in a commercial site approved by us for your office (“Office Location”) and you must build out the Office (“Office Setup Deadline”). If you or any of your affiliates already operate another GoJoe Patrol business, then your Office Setup Deadline will be reduced to the one month anniversary of the date of your Franchise Agreement.

We will provide you with general site selection criteria for an office and, as you may request, a reasonable amount of consultation with respect to the site selection process. GoJoe Patrol business offices are generally located in 550 to 650 square foot Class B or C offices or co-working spaces. You will be solely responsible for locating and obtaining a suitable site for your office, which we have the right to accept or reject at our sole discretion. Before entering into a lease agreement or other binding agreement to acquire the proposed site, you must: (1) submit written information to us regarding the proposed site according to our System standards or as we reasonably request; and (2) verify to us in writing that the proposed site meets our site selection criteria (“Site Application”). A site visit is not required but may be conducted at our discretion and expense. If you request a site visit, then you agree to pay all expenses associated with the site visit including the travel expenses and wages of our personnel. We will approve or reject the proposed site within 15 days of the receipt of your completed Site Application. If we reject the proposed site, then you must select an alternate site and repeat the site selection process until we have approved a proposed site for your office. For each GoJoe Patrol business that you develop under a Development Agreement, you must follow this site selection procedure and obtain our approval of the sites for your offices according to our then-current site selection criteria.

We will provide you with our standard office layout plans and specifications. You assume all cost, liability and expense for completing the build out of the office in accordance with our plans and specifications. You must obtain all required construction and occupancy licenses, permits and approvals for the office prior to the Office Setup Deadline.

You must open your GoJoe Patrol business by actively providing security services to commercial and residential customers located within your Territory no later than 120 days following the date of the Franchise Agreement (“Opening Deadline”) or we will have the right to terminate the Franchise Agreement.

If you lease the premises for your office, then you must submit the proposed lease to us for our review before you sign it and the lease must include all of the provisions set forth in the form of Addendum to Lease attached as Exhibit E to the Franchise Agreement. The lease must not contain any covenants or other obligations that would prevent you from performing your obligations under the Franchise Agreement.

It typically takes 90 to 120 days from the signing of the Franchise Agreement to build out the office, hire and train your staff and open your GoJoe Patrol Business. The actual time will vary depending on the availability of financing and the time you need to obtain the necessary permits and licenses for the buildout of the office. Neither of these factors is within our control.

### Technology System Requirements

We have the right to specify or require that certain brands, types, makes, and/or models of communications, computer and technology systems, and hardware to be used by, between, or among GoJoe Patrol businesses, and in accordance with our standards, including without limitation: an office computer; smartphones for each vehicle; computer related equipment; communications devices; high speed internet service; printers; telephone, voice messaging, retrieval, and transmission systems; audio/visual equipment; and software systems that we specify in writing from time to time. You must maintain an electronic connection between your systems and our systems and provide us with all user IDs and passwords necessary for us to independently access files and other information stored on your systems; must use the systems in accordance with all policies and operational procedures we issue from time to time; must transmit data to us at the times we specify; must maintain your systems in good working order at all times; must promptly install upgrades, additions, changes, modifications, substitutions and/or replacements of hardware, software, data connectivity, electrical power, and other computer-related facilities as we direct, which upgrades shall not be required more often than once a year; and must ensure that your employees are adequately trained in the use of such systems and our related policies and procedures. You must not install any software to your systems that we have not authorized, including virus software and firewalls. You must bear all costs of installation, operation, maintenance and upgrade of your systems. We reserve the right to require you to engage us or a hardware maintenance and/or help desk support provider approved by us to maintain your systems.

You must purchase at least one laptop computer and two smartphones dedicated to your GoJoe Patrol business. You must purchase and install our proprietary RevSuite software system, which currently includes Team Software, Silvertrac, GPS Insight, Driver i, and FranConnect). We may designate additional software programs in the future that you must use in connection with your computer systems. You must install all such software, including any updates, supplements, modifications, or enhancements that we require. We and our suppliers may charge a reasonable software license fee for any software that you are required to use. You will also need a printer, fax, scanner system, high speed Internet connectivity, and voice-over-internet protocol. There are no contractual limitations on our ability to access the information and data contained in your systems. We and our affiliates have the right to retain the information and to use it internally without restriction. You will be assigned a GoJoe Patrol email account that you must use for all business communications.

The estimated computer and technology system costs are \$4,900 to \$7,400. The estimated software license fees are currently \$15,600 annually or approximately \$1,300 per month. You must pay all amounts charged by any supplier or licensor of the systems and programs you use, including charges for use, maintenance, support and/or update of these systems or programs. You must promptly update and upgrade your computer hardware and software systems as we require, at your expense, however we will not require upgrades more often than once a year. There is no contractual limitation on the cost of this obligation.

We have established the Technology Fund for the development and implementation of technology policies and procedures for the enhancement of the System, including the RevSuite software system, and the prevention of technological stagnation or obsolescence. We administer the Technology Fund and have the right to direct all activities financed by the Technology Fund. You must contribute .5% of your monthly Gross Sales to the Technology Fund at the same time and in the same manner as your payment of the Royalty Fee. GoJoe Patrol businesses operated by us and our affiliates also will contribute to the Technology Fund at the lowest rate specified for comparable franchisees. The Technology Fund may spend in any fiscal year more or less than the total Technology Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will prepare an annual, unaudited statement of Technology Fund collections and expenses within 60 days after our fiscal year end and will provide a copy of the statement to all franchisees. We retain the final authority on all programs financed by the Technology Fund. We have the right to change or dissolve the Technology Fund at any time. If we disband the Technology Fund, then we will spend all monies in the Fund for technology program development and implementation purposes or distribute all unspent monies to contributors in proportion to their respective Technology Fund contributions during the preceding 12-month period.

You must honor all credit, charge, courtesy or cash cards or other credit devices that we specify. You must comply with the then-current Payment Card Industry Data Security Standards (PCI/DSS), as those standards may be revised by the PCI Security Standards Council, LLC (see [www.pcisecuritystandards.org](http://www.pcisecuritystandards.org)) or successor organization.

## **Training**

### **GoJoe Patrol Initial Training Program**

At least 30 days before opening the business, your Operating Principal (and one of your owners if your Operating Principal is not an owner) must attend and successfully complete our training program to our satisfaction. All replacements for your Operating Principal also must attend and successfully complete our training program to our satisfaction within 30 days of their appointment. The training program will include up to five days of online, classroom and on-the-job training at our home office and/or another training site that we designate. We may increase or reduce the required training based on our assessment of an individual's prior experience. The training program includes a train-the-trainer program and materials that you can use in training your employees and replacement personnel. We will have the right to require that your personnel sign and deliver to us a confidentiality agreement prior to participating in any aspect of the training program.

### **TRAINING PROGRAM**

Subject	Hours of Online Training	Hours of Classroom Training	Hours of Field Training	Location
Sales and Lead Generation	3	3	0	Webinar and Our Corporate Office in Spokane Valley, WA
Concept and Services Review	0	2	0	Corporate Office in Spokane Valley, WA
Brand Standards and Key Elements of Success	0	2	0	Corporate Office in Spokane Valley, WA
Software Programs	8	8	0	Webinar and Corporate Office in Spokane Valley, WA
Personnel Management	0	1	0	Corporate Office in Spokane Valley, WA
Position Training	0	4	8	Corporate Office in Spokane Valley, WA and in Field, Spokane Valley, WA

Subject	Hours of Online Training	Hours of Classroom Training	Hours of Field Training	Location
Customer Service	0	2	0	Corporate Office in Spokane Valley, WA
Office Administration	0	3	0	Corporate Office in Spokane Valley, WA
Marketing and Advertising	0	4	0	Corporate Office in Spokane Valley, WA
Ongoing Quality Management	0	2	0	In Field, Spokane Valley, WA
Financial Management and Reporting	0	2	0	Corporate Office in Spokane Valley, WA
Total Hours	11	33	8	

We will schedule initial training as needed throughout the year. Our training program is conducted by Harry Sladich, our Chief Development Officer, who has 21 years of training experience with us and our affiliate and 36 years of training experience with other businesses, and Major Bambino, our Executive Vice President of Franchise Operations and Training, who has 28 years of training experience with us and our affiliate. We will use the Manual as our instructional materials for the training program.

#### Opening Training

For the first two Go Joe Patrol businesses that you and/or your affiliates develop, once you are ready to open the business and subject to our availability, we will send a representative to your office to provide additional training, opening support and marketing assistance for up to five days. You will not be required to pay any additional costs for any of the travel or living expenses incurred by our representative while they provide the opening training. If you and/or your affiliates already operate two GoJoe Patrol Businesses, you will be responsible for training employees of your additional GoJoe Patrol businesses using our train-the-trainer program materials.

#### Train the Trainer Program

You must use our train-the-training program materials to train your employees as we may require, including those training programs required for your employees to become certified for the position(s) for which each employee was hired. You will be responsible for all costs that you incur in training your employees. If you request our on-site assistance with training your staff, then we may charge your our then-current per diem training fee (currently \$500) as set forth in the Manual and you must reimburse us for our travel, meals and lodging expenses.

#### Additional Training

Your replacement Operating Principal(s) must attend and successfully complete our initial training program within 60 days of being appointed as your Operating Principal. We do not charge a fee for your replacement Operating Principals to attend our training program; however, you must pay all travel, meals and lodging expenses incurred by your Operating Principal to attend the training program.

Your employees that we reasonably designate must attend and complete, to our satisfaction, any additional training programs that we reasonably require from time to time. We may require you to pay reasonable training fees for these programs (plus travel, meals and lodging expenses for our representatives, if we conduct the training at your Office).

You (and/or your Operating Principal) must attend our periodic conventions, regional meetings and conferences. You are responsible for the registration fee for these meetings (which will not exceed \$1,000 per attendee) and the costs of travel and accommodations.

We will advise and consult with you periodically in connection with the operation of your GoJoe Patrol business. We may provide these services through visits by our representatives to your office, the distribution of printed, filmed or electronic information, meetings or seminars, telephone communications, e-mail communications or other communications. We will periodically inspect your GoJoe Patrol business operations to provide assistance and ensure compliance with the System. At your request, we may provide special assistance for you for which you will be required to pay our per diem training fees and charges that we may establish from time to time.

Except for the classroom and the on-the-job training portions of the GoJoe Patrol training program, we have the right to provide training programs in person, by video, via the internet, or by other means, as we determine. All training that we conduct in person will be held at a location that we designate. You are responsible for all expenses of your trainees, including the costs of transportation, lodging, meals, and wages.

Multi-Unit Management Training

Prior to opening your second GoJoe Patrol business, your Operating Principal (and one of your owners if your Operating Principal is not an owner) must attend and successfully complete our GoJoe Patrol multi-unit training program to our satisfaction. The training program consists of up to three days of online instruction. We may increase or reduce the required training based on our assessment of an individual's prior experience.

**MULTI-UNIT MANAGEMENT TRAINING PROGRAM**

Subject	Hours Of Classroom Training	Hours Of On The Job Training	Location
Update on GoJoe Patrol	2	0	Webinar and Our Corporate Office in Spokane Valley, WA
Review Multi-Unit Agreement	2	0	Webinar and Our Corporate Office in Spokane Valley, WA
Financial Management	8	0	Webinar and Our Corporate Office in Spokane Valley, WA
Timing & Roll-Out	4	0	Webinar and Our Corporate Office in Spokane Valley, WA
Sales and Advertising	4	0	Webinar and Our Corporate Office in Spokane Valley, WA
Human Resources	2	0	Webinar and Our Corporate Office in Spokane Valley, WA
Other Operational Issues/Questions	2	0	Webinar and Our Corporate Office in Spokane Valley, WA
Total Hours	24	0	

**Advertising**

Market Introduction Program

You must advertise and promote your GoJoe Patrol business for a six-month period beginning one month prior to the opening through five months following the opening of the business ("Market Introduction Period"). We will provide to you a recommended marketing and sales blitz plan template for the Market Introduction Period ("Market Introduction and Sales Blitz Plan") and approved marketing materials for your

business (“Market Introduction Materials”). You may modify the Market Introduction and Sales Blitz Plan and Market Introduction Materials to meet your local market needs. You must submit your Market Introduction and Sales Blitz Plan to us for our review and approval, including total expenditures, at least 45 days prior to implementation. You may not begin implementing the Market Introduction and Sales Blitz Plan without our written approval. You must spend at least \$10,000 during the Market Introduction Period. If you fail to spend the required amount during the Market Introduction Period, then you must spend the balance for Local Store Marketing as described below.

#### Marketing Contributions and Expenditures

You must make contributions to the Brand Fund, make Local Store Marketing expenditures and contribute to a Cooperative if a Cooperative has been established in the Designated Market Area (“DMA”) in which your Territory is located. We have the right to periodically re-allocate and/or increase the amount you contribute to the Brand Fund and any Cooperative and the amount you spend for Local Store Marketing effective upon 90 days’ prior notice; however, we will not increase your total marketing contributions and expenditures above 3% of Gross Sales.

#### Brand Fund

We have the right to form a Brand Fund for the enhancement, promotion and protection of the System and the Marks, and for the development of advertising, marketing, and public relations programs and materials as we deem appropriate. The Brand Fund will be used to: create and implement advertising and marketing, and creative, production and media placement; create, implement and/or maintain public relations and community involvement programs, materials and implementation; develop and maintain the System website, digital and social media marketing programs; and search engine optimization. We have the sole right to direct all advertising, media placement, marketing and public relations programs and activities financed by the Brand Fund, with final discretion over the strategic direction, creative concepts, materials and endorsements used and the geographic, market and media placement and allocation.

You must participate in all advertising, marketing, promotional, research and public relations programs instituted by the Brand Fund. You must contribute 2% of your Gross Sales monthly to the Brand Fund. GoJoe Patrol Businesses operated by us and our affiliates also will contribute to the Brand Fund at the lowest rate specified for comparable franchisees. We may sell certain advertising materials, merchandise and premium items to you that are developed by the Brand Fund and the earnings from such sales will be deposited in the Brand Fund. The Brand Fund also may be used to pay the reasonable salaries and expenses of our and our affiliates’ employees who work on advertising, marketing, public relations materials, programs, activities or promotions prepared, planned or undertaken on behalf of the Brand Fund and professional fees and administrative costs and overhead that we or our affiliates incur in activities reasonably related to the administration and activities of the Brand Fund (including accounting fees, legal fees, and interest on monies borrowed by the Brand Fund). We will not use the Brand Fund for anything whose sole purpose is the marketing of franchises, however, the System website, public relations activities, community involvement activities and other activities supported by the Brand Fund may contain information about franchising opportunities.

We will prepare an annual, unaudited statement of Brand Fund collections and expenses within 60 days after our fiscal year end and will provide a copy of the statement to all franchisees. We did not collect any contributions to the Brand Fund in 2024 and do not have any expenditures to report in this disclosure document. If there are unspent funds in the Brand Fund at the end of any given fiscal year, those unspent funds will carry over to the next fiscal year. We retain the final authority on all programs financed by the Brand Fund. We have the right to change or dissolve the Brand Fund at any time. If we disband the Brand Fund, then we will spend all monies in the fund for advertising and/or promotional purposes or distribute all unspent monies to contributors in proportion to their respective Brand Fund contributions during the preceding 12 month period.

The Brand Fund (including any earnings on unspent funds) will be used to maximize general public recognition, acceptance, and patronage of GoJoe Patrol businesses. We are not obligated to make Brand

Fund expenditures for you which are equivalent or proportional to your contributions, or to ensure that any particular franchisee benefits directly or pro rata from expenditures by the Brand Fund. We are not required to spend any amount on advertising in the Territory where your GoJoe Patrol business is located. The Brand Fund is not a trust and we have no fiduciary obligation in collecting payments, maintaining the bank account, bookkeeping, or disbursement of monies from the Brand Fund. We do not have an advertising council composed of franchisees although we may develop one in the future. We may seek the advice of GoJoe Patrol franchisees by formal or informal means with respect to the creative concepts and media used for programs financed by the Brand Fund.

### Local Marketing

You must develop, on an annual basis, a Marketing Plan that we have approved for you, your GoJoe Patrol business, and your market area. You must comply with all requirements regarding the Marketing Plan, including the use of approved advertising and marketing materials, placement and purchase of advertising and marketing materials and media, search engine optimization activities, and compliance with all promotional recommendations. You must spend for advertising and marketing in your market area ("Local Marketing") at least 1% of your annual Gross Sales. You must begin conducting Local Marketing after the expiration of the Market Introduction Period. Within 30 days after the end of each quarter, you agree to send to us, in the manner we prescribe, an accounting of your Local Marketing expenditures during the preceding quarter. If you fail to expend on an annual basis, the required amount, then you must contribute to the Brand Fund any amounts that you should have expended to reach the local advertising requirement within 30 days after the close of our fiscal year.

Local Marketing expenditures include the following pre-approved expenditures: (1) amounts spent by you for advertising media, such as digital, print, radio, television and outdoor, banners, posters, direct mail, grassroots premiums, event invites, and, if not provided by us at our cost, the cost of producing approved materials necessary to participate in these media; (2) special (or promotional) offers pre-approved by us; and (3) local marketing and public relations agency fees. Local Marketing expenditures do not include amounts spent for items, in our reasonable judgment, deemed inappropriate for meeting the minimum advertising requirement, including office signage, directory listings, personnel salaries or administrative costs, vehicles, and vehicle wraps (even though such vehicles may display the Marks). All Local Marketing must be approved by us.

Once your GoJoe Patrol business has been open for three months, you must set up and maintain a business listing with Google using our authorized vendor, which includes a dashboard and customer review options, for the then-current fees, which is estimated to be \$399 per month. You must also spend at least \$250 per month for key word search and search engine optimization services to increase traffic to your business listing.

### Regional Cooperatives

We have the right (but not the obligation) to establish local or regional Cooperatives that pool funds of franchised and affiliate-owned GoJoe Patrol businesses on an ongoing basis to jointly promote the Marks and the GoJoe Patrol businesses of the Cooperative members. You must participate in each applicable joint marketing program, if established and comply with the rules of the program. The following provisions apply to Cooperatives:

- We have the right to designate any geographic area or set of common characteristics for purposes of establishing a Cooperative. If a Cooperative is applicable to your GoJoe Patrol business, then you must become a member and begin contributing. You will not have to contribute to more than one Cooperative for the same GoJoe Patrol business at the same time. We (or our affiliates, as the case may be) will become a member of any Cooperative that is applicable to a GoJoe Patrol business owned by us or our affiliates.

- Each Cooperative will adopt a cooperative agreement governing the organization and operation of the Cooperative, subject to our approval. If the members of the Cooperative do not sign an agreement within a reasonable time, then you agree to sign our recommended form of Cooperative Agreement. We reserve the right to change the form of organization, governing documents, and manner of operation of any Cooperative. No changes in the bylaws or other governing documents of a Cooperative may be made without our prior written consent.
- Each Cooperative will be organized for the exclusive purpose of developing, administering, and executing advertising programs for the members of the Cooperative. No advertising or promotional plans or materials may be used by a Cooperative or furnished to its members without our prior approval as described below.
- You and each other member of the Cooperative must contribute monthly to the Cooperative up to 1% of the Gross Sales of the GoJoe Patrol business, which amount will result in a corresponding reduction in your Local Marketing obligation.
- We may grant any franchisee an exemption for any length of time from the requirement of membership in a Cooperative, and/or from the obligation to contribute (including a reduction, deferral or waiver of the contribution), upon written request stating reasons that we deem sufficient to support the exemption. Our decision concerning any request for exemption will be final. If we grant an exemption to a franchisee, the franchisee will be required to spend on Local Marketing the amount the franchisee otherwise would have been required to contribute to the Cooperative.

#### Approval Requirement

All advertising and promotion by you and by any Cooperative must be in the type of media and format that we approve, must be conducted in a dignified manner, and must conform to our standards and requirements. You or the Cooperative must submit written samples of all proposed advertising and promotional plans and materials to us for our approval at least ten business days before their intended use, unless the plans and materials were prepared by us or have been approved by us within the last 12 months. Proposed advertising plans or materials will be deemed to have been rejected if we have not approved them within ten business days after receipt. We reserve the right to require you to discontinue the use of any advertising or marketing material that we previously approved upon notice.

#### Electronic Marketing and Electronic Communications

We will host and maintain an independent webpage for your GoJoe Patrol business at an Internet address that we specify. We will provide and maintain this webpage using a standard template. You will use an e-mail address that we assign to you for official GoJoe Patrol business if we assign such an address to you (or to one or more of your employees), and you must use that e-mail address (and pay all fees associated with maintaining additional e-mail addresses if you request and we assign more than one e-mail address to you) in the manner and for the purposes that we reasonably require in the Manual or otherwise in writing. Unless we have agreed to it in writing, you may not use, register, maintain, or sponsor any URL, social networking platform, blog, messaging system, email account, user name, text address, mobile application, or other electronic, mobile or internet presence that uses or displays any of the Marks (or any derivative thereof) or that promotes any services or products of your GoJoe Patrol business. The use of any electronic medium constitutes advertising and promotion subject to our approval as described above. You may not transmit or cause any other party to transmit advertisements or solicitations by broadcast media, telephone, e-mail, text message, instant message, social network, VoIP, streaming media, or other electronic media without first obtaining our written consent as to: (1) the content of the advertisements or solicitations; and (2) the type of media intended to be used. All telephone answering messages, email auto-signatures, and other identifiers of your GoJoe Patrol business must be in the form we prescribe. If we approve the use of an electronic medium, then our approval will be conditioned on your compliance with

any standards and procedures we issue with respect to that type of electronic medium, including the use of any disclaimers, warnings, and other statements that we may prescribe.

### **Pricing Activities**

You have the right to set the prices for products and services that you will offer to customers. To the extent permitted by applicable law, we have the right to establish maximum and/or minimum prices that you may charge for all products and services that you sell.

## **ITEM 12** **TERRITORY**

### **Franchise Agreement**

Under the Franchise Agreement, we will grant you the right to operate continuously your GoJoe Patrol business from an Office Location that we have approved and only with your designated Territory. You may not move your office without our prior written consent, which may be withheld by us in our reasonable business discretion. If we approve a relocation of your Office Location, then you must pay the relocation fee discussed in Item 6.

You do not receive the right under the Franchise Agreement to develop or operate more than one GoJoe Patrol business. If you comply with the Franchise Agreement, then during the term of the Franchise Agreement, we and our affiliates will not operate, or license others to operate, another GoJoe Patrol business that has an office or a territory within your Territory. We will typically designate counties with a population between 250,000 and 500,000 as a Territory for a GoJoe Patrol business. However, we may use other territory designations in areas that are densely or sparsely populated.

You will not receive an exclusive territory under the Franchise Agreement. You may face competition from other franchisees, from outlets that we own, from other channels of distribution or competitive brands that we control. You are not permitted to offer security services to customers located outside your Territory without our prior written approval. We reserve the right to: (a) distribute products identified by the Marks in your Territory through any method or channel of distribution other than the operation of a security services business including through the internet, wholesale, mail order and catalog; (b) operate, and license others to operate, during the term of your Franchise Agreement, businesses identified in whole or in part by the Marks that provide security services outside of your Territory; (c) operate, and license others to operate, after your Franchise Agreement terminates or expires, businesses identified in whole or in part by the Marks that provide security services at any location, including within the Territory; (d) operate, and license others to operate, at any location, including locations inside your Territory, during or after the term of your Franchise Agreement, any type of business that is not identified in whole or in part by the Marks and that does not offer security services; (e) develop and own other franchise systems for the same or similar services using trade names and trademarks other than the Marks; (f) purchase, be purchased by, merge or combine with, businesses that directly compete with GoJoe Patrol businesses; and (g) provide security services, or permit a third party to provide security services, to House Account customers in your Territory if you elect not to service their accounts.

We and our affiliates do not currently operate or franchise or have any plans to operate or franchise a business under a different trademark that will sell goods or services similar to those offered by GoJoe Patrol businesses.

You may not advertise your GoJoe Patrol business or directly solicit customers outside your Territory, unless you obtain our prior written permission. You do not have the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales outside your Territory. We may permit to you to market to and directly solicit customers and perform security services in an open adjacent territory not assigned to a GoJoe Patrol business, provided that should we

later assign that territory to a GoJoe Patrol business, you agree to stop marketing in that territory, transfer that customer to the new GoJoe Patrol business at the expiration of their contract with you unless the customer makes a request to continue your contract, and provide us with all customer information that you acquire relating to that territory. You will not have any rights of first refusal to the open territory.

If you are in good standing under your Franchise Agreement, then we may offer you the opportunity to service House Accounts in your Territory in accordance with the pricing and other terms negotiated by us. You may be required to sign a House Accounts Program Participation Agreement to be listed as a participating GoJoe Patrol business with respect to a House Account. If you elect not to service a House Account, then we or another franchisee may perform the service in your Territory and we will not offer you the opportunity to service any additional House Accounts for the remainder of the term of the Franchise Agreement. The details of any House Accounts Program that we establish will be set forth in the Manual.

Advertising and promotional materials created, placed, and/or distributed by us, other franchisees operating under the System, or other entities authorized by us, may appear in media distributed in, or may be directed to prospective customers located within, the Territory, including on the System website or any related online site. We are not required to compensate you for marketing, soliciting, or accepting orders within your Territory.

Development Agreement

If you sign a Development Agreement, then we will designate your Development Area where you will develop your GoJoe Patrol businesses. During the term of the Development Agreement, we and our affiliates will not operate, or license others to operate, a GoJoe Patrol business that has an office or a territory located within your Development Area, provided that you are in compliance with the terms of the Development Agreement and any other agreements with us and our affiliates. We reserve the same territorial rights in the Development Area as we do in the Territory assigned to a Franchise Agreement as discussed above. Therefore, you will not receive an exclusive territory under the Development Agreement. You may face competition from other franchisees, from outlets that we own, from other channels of distribution or competitive brands that we control. The procedures described above with respect to the designation of a Protected Territory under your Franchise Agreement will apply to each GoJoe Patrol business that you develop under the Development Agreement; however, we will apply our then-current standards for reviewing and designating your Protected Territory.

**ITEM 13  
TRADEMARKS**

We grant you a non-exclusive license to use the Marks during the term of the Franchise Agreement. We may also authorize you to use other current or future Marks to operate your GoJoe Patrol business. By Marks, we mean trade names, trademarks, service marks and logos we use to identify GoJoe Patrol businesses and the products sold in them. We have registered the following Mark with the United States Patent and Trademark Office (“USPTO”) on the Principal Register and plan to file, when due, all required declarations of use and renewal application.

Mark	U.S. Trademark Registration No.	Registration Date
GoJoe Patrol	5034904	September 6, 2016
	6927339	December 20, 2022

<b>Mark</b>	<b>U.S. Trademark Registration No.</b>	<b>Registration Date</b>
JOE WILL BE WATCHING	6676728	March 22, 2022
REV SUITE	6908410	November 22, 2022
PROTECTING PEOPLE, PROPERTY AND THE PLANET	7116622	July 18, 2023

There are no currently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court involving the principal mark, nor any pending infringement, opposition, or cancellation proceedings or material litigation involving the Marks. We are not aware of any infringing uses that could materially affect your use of the Marks. There are no agreements that limit our rights to use or license the use of the Marks and we are not aware of any superior rights that could affect your use of the Marks.

You must notify us of any unauthorized use of the Marks. You must also notify us of any challenge to the validity of, or the right to use, any of the Marks. We have the right to control any administrative proceeding or litigation that involves the Marks. This right includes the right to settle any of those disputes. We may, but are not required to, try to stop other people from using the Marks.

We will defend you against any infringement claims that arise from your use of the Marks at our expense, including the cost of any judgment or settlement, if your use of the Marks complied with the Franchise Agreement, but at your expense if your use of the Marks did not comply with the Franchise Agreement. You must assist us in any action we take to protect the Marks. Unless this action results from your inappropriate use of the Marks, we will reimburse you for your out-of-pocket costs in assisting us.

You must follow our rules when you use the Marks. You may not use any of the Marks as part of your corporate name, Internet domain name, or e-mail address, or with modifying words, designs or symbols without our prior written authorization. You may not use the Marks for the sale of an unauthorized product or service or in any other manner not authorized by the Franchise Agreement.

We can modify the Marks and/or substitute different marks for use in identifying our businesses and the System. You must promptly implement any modification or substitution at your own cost and expense. We will have no obligation or liability to you as a result of the modification or substitution.

#### **ITEM 14** **PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION**

##### **Patents**

No patents are material to the operation of your GoJoe Patrol Business. If it becomes advisable to us at any time to acquire a patent, then you will be obligated to use the acquired patent as we may require.

##### **Copyrights**

We and our affiliates claim copyright protection for the Proprietary Materials, which include, but are not limited to, the Manual, advertisements, promotional materials, labels, posters, coupons, gift certificates and gift cards, customer contracts, vehicle wraps, signs, websites, and office designs, plans and specifications. Neither we nor our affiliates have registered the copyrights in any of the Proprietary Materials but we are not required to do so. You can use the Proprietary Materials only for the purpose of developing and operating your GoJoe Patrol business. You must notify us of any unauthorized use of the Proprietary

Materials. You must also notify us of any challenge to the validity of, or the right to use, any of the Proprietary Materials. We have the right to control any administrative proceeding or litigation that involves the Proprietary Materials. This right includes the right to settle any of those disputes.

There are no currently effective determinations of the USPTO, U.S. Copyright Office, or any court concerning any copyright. There are no currently effective agreements under which we derive our rights in the copyrights and that could limit your use of those copyrighted materials. We are not obligated to protect any of the rights that you have to use any copyright or Proprietary Material, nor does the Franchise Agreement impose any other obligation upon us concerning copyrights or Proprietary Materials. We are not aware of any infringements that could materially affect your use of any copyright in any state.

### **The Manual and Confidential Information**

We will provide you with electronic access to the Manual, which contains information and knowledge that is unique, necessary and material to the System. The Manual contains detailed standards, specifications, instructions, requirements, forms, reports, methods and procedures for the management and operation of GoJoe Patrol businesses. The Manual also may relate to the selection, method, purchase, storage, and sale of all services, equipment, and products offered at the GoJoe Patrol businesses; management and employee training; marketing, advertising and sales promotions; computer systems, vehicles, graphics, signs, interior and exterior decor items, employee and security personnel dress attire and appearance standards; and accounting, bookkeeping, records retention and other business systems, procedures and operations. You must at all times operate your GoJoe Patrol business in strict conformity with the Manual; maintain the Manual at the Office Location; not reproduce the Manual or any part of it; treat the Manual as confidential and proprietary; and disclose the contents of the Manual only to your employees who have signed a confidentiality agreement and who have a demonstrated need to know the information contained in the Manual.

We may periodically revise the contents of the Manual, and you must consult the most current version and comply with each new or changed standard. If a dispute relating to the contents of the Manual develops, then the master copy maintained by us at our principal offices shall control.

### **Innovations**

All products, services, concepts, methods, techniques, and/or new information relevant to your operation of your GoJoe Patrol business (together, "Innovations"), whether or not constituting protectable intellectual property, that you or your employees create, or that are created on your behalf, must be promptly disclosed to us. All such Innovations will be deemed to be our sole and exclusive property and works made-for-hire for us. You and each of your owners agree to: (1) sign the assignment and/or other documents we request in order to implement this in order to evidence our ownership; (2) cause your employees and contractors to sign such assignment documents as we may request for this purpose; and (3) assist us in securing intellectual property rights in such Innovations.

### **Data and Privacy**

We claim ownership of all data that you collect from customers, suppliers or others in connection with your GoJoe Patrol business including, but not limited to, names, addresses, email addresses, phone numbers, birth dates, demographic data, behavioral data, customer service history, correspondence and other data that you create and/or collect in connection with the System, or in connection with your operation of your GoJoe Patrol business. We reserve the right to use or transfer this data as we deem appropriate and to provide the information to our affiliates. Furthermore, we reserve the right to contact customers of your GoJoe Patrol Business, as well as your employees, suppliers and other service providers, for purposes of quality control, market research and for other business reasons as we deem appropriate. In connection with any use of data in your GoJoe Patrol business, you agree to comply with all applicable laws pertaining to the privacy of customer, employee, and transactional information and our standards and policies pertaining to privacy laws.

**ITEM 15**  
**OBLIGATION TO PARTICIPATE IN THE**  
**ACTUAL OPERATION OF THE FRANCHISE BUSINESS**

You must appoint an individual to serve as your Operating Principal to manage your GoJoe Patrol business. Your Operating Principal will be the person with whom we communicate and who will have the authority to bind you with respect to all financial, operational and legal matters related to your GoJoe Patrol business. You must obtain our approval before designating anyone to serve as your Operating Principal. You must designate a replacement within 30 days after your Operating Principal leaves his or her position. We do not require your Operating Principal to have an equity ownership interest in your business.

Your Operating Principal must successfully complete the GoJoe Patrol training program. We may require the Operating Principal, among others, to sign an agreement not to compete with GoJoe Patrol businesses while they are employed with you and for a period of two years thereafter. We may also require that you have the Operating Principal sign an agreement not to reveal confidential information they obtain in the course of their employment with you. These agreements must be in a form we approve and specifically identify us as a third party beneficiary with the independent right to enforce the agreement. See Exhibit F to the Franchise Agreement.)

If you form a business entity to operate your GoJoe Patrol business, then we will identify a "Continuity Group." The members of the Continuity Group will be listed in an exhibit to the Franchise Agreement, and you must notify us of any change in the Continuity Group. If you are a corporation, then the Continuity Group shall at all times own at least 66% of your voting securities; if you are a limited liability company, then the Continuity Group shall at all times own at least 66% of your membership interests; and if you are any other type of business entity, then the Continuity Group shall at all times have at least a 66% interest in the operating profits and losses and hold at least 66% of your ownership interests. Each member of the Continuity Group, each person who holds a legal or beneficial interest in you of 5% or more, and each of their spouses, shall be bound by the confidentiality and non-competition restrictions described in Item 17 and must sign a guarantee assuming and agreeing to discharge all of your obligations to us unless we waive or modify this requirement.

**ITEM 16**  
**RESTRICTIONS ON WHAT FRANCHISEE MAY SELL**

Your GoJoe Patrol business must offer all services and products that we designate and maintain a complete inventory of approved items and supplies necessary for operating your business. You must offer for sale all services and products that we designate as required items. You may also offer for sale any optional services and products that we designate. You must provide services only using the methods that we have approved. You must sell products only in the weights, sizes, forms, and packaging that we have approved. You must discontinue selling or offering for sale any services or products which we, in our sole discretion, disapprove in writing at any time. If you would like to use or offer services, products, supplies, and/or equipment that we have not approved, then you must first submit to us a written request for approval and you shall refrain from offering or using these items until you have received our written approval. We have the right to require you to use only certain brands and to prohibit you from using other brands. We may from time to time modify the list of approved brands and you shall not reorder any brand that is no longer approved.

Within 30 days after receipt of written notice from us, you must begin selling any newly approved services and products and cease selling any services and products that are no longer approved. Products and services already scheduled under contract at the time you receive notice of discontinuance may be provided to fulfill the contract unless the disapproved product or service poses a safety or health threat to customers, employees or the public in which case usage shall be stopped immediately. All services and products authorized for sale shall be offered for sale under the specific name designated by us. If you have a suggestion for a new service or product or for a change to an authorized service or product or you desire to participate in a test market program, then you must provide us written notice prior to implementation, and

obtain our prior written consent. You may not add or modify any product or service or participate in a test market program without first having obtained our prior written approval. You must purchase any additional equipment and supplies as we deem reasonably necessary in connection with new services and products. If we require you to begin offering a new service or product which requires the purchase of additional equipment, then we will provide you with a reasonable period of time for the financing and purchase of any such equipment before you must offer such new product or service for sale.

**ITEM 17**  
**RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

**THE FRANCHISE RELATIONSHIP**

The tables list certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

	<b>Obligation</b>	<b>Section in Franchise Agreement (FA) or Development Agreement (DA)</b>	<b>Summary</b>
a.	Length of the franchise term	FA: 2.2 DA: 7.1	FA: Term expires 10 years from the date of the Franchise Agreement. DA: Term expires on the earlier of the date that you open the final GoJoe Patrol business or the opening deadline for that business as set forth in the Development Schedule.
b.	Renewal or extension of the term	FA: 18.1 DA: Not Applicable	FA: Provided we are still franchising and you are in substantial compliance with the Franchise Agreement, you have an option to sign a successor franchise agreement for two successor terms of five years each. DA: Not Applicable
c.	Requirements for you to renew or extend	FA: 18.2–18.3 DA: Not Applicable	Timely provide written notice of intent to renew; be in good standing; demonstrate right to remain in possession of Office Location; agree to renovate and modernize your GoJoe Patrol business; meet our qualification and training requirements for new franchisees; sign successor franchise agreement and pay successor franchise fee. The successor franchise agreement may contain terms that are materially different from your expiring Franchise Agreement, such as different fee requirements but will not include an initial franchise fee.
d.	Termination by you	Not applicable	Subject to state law, you have no right to terminate either the Franchise Agreement or Development Agreement.

	<b>Obligation</b>	<b>Section in Franchise Agreement (FA) or Development Agreement (DA)</b>	<b>Summary</b>
e.	Termination by us without cause	Not applicable	We have no right to terminate either the Franchise Agreement or the Development Agreement without cause.
f.	Termination by us with cause	FA: 19 DA: 7.2	We may terminate either the Franchise Agreement or the Development Agreement upon default. Upon any event that gives rise to our right to terminate the Development Agreement, we may alternatively: (1) temporarily suspend your rights to develop additional GoJoe Patrol businesses in any part of the Development Area; (2) temporarily or permanently reduce the size of the Development Area; or (3) extend the Development Schedule.
g.	"Cause" defined – curable defaults	FA: 19.3 - 19.4 DA: Not Applicable	FA: You have five days to cure non-payment of fees or non-submission of reports; 24 hours to cure unsafe products/practices; and 30 days to cure other defaults, except for those described in h. below. DA: Under the Development Agreement, you have no right to cure defaults.
h.	"Cause" defined – non-curable defaults	FA: 19.1–19.2 DA: 7.2	FA: Non-curable defaults: insolvency, bankruptcy; failure to complete training; failure to timely identify a site and open your GoJoe Patrol business; abandonment; loss of possession of the Office Location; default on material indebtedness; commission of felony; threat to public safety; unapproved transfers; operating Competing Business (see q. below); disclosure of trade secrets; filing false reports; violation of the Patriot Act or Foreign Corrupt Practices Act; other governmental action against you, repeated defaults even if cured; default of any other agreements between you or your affiliates and us or our affiliates; and others. DA: Failure to meet your development obligations or any other obligations, or termination of any Franchise Agreement between with us. Termination of a Development Agreement will not result in a termination of any Franchise Agreements in place for GoJoe Patrol businesses that you operate.

	<b>Obligation</b>	<b>Section in Franchise Agreement (FA) or Development Agreement (DA)</b>	<b>Summary</b>
i.	Your obligations on termination or non-renewal	FA: 20 DA: Not Applicable	Obligations include ceasing to operate the GoJoe Patrol business, providing customer contracts to us to continue servicing the customer relationships; de-identifying the Office Location; paying amounts due, ceasing using the Marks, transferring customer data to us, transferring phone numbers, returning our materials (also see o. and r. below), and paying our early termination damages (as described in Item 6).
j.	Assignment of contracts by us	FA: 16.1 DA: 6.1	There are no limits on our right to assign the Franchise Agreement or Development Agreement
k.	"Transfer" by you – definition	FA: 16.2 and 16.5 DA: 6.2 and 6.5	Restrictions apply to transfer of any direct or indirect interest in the Agreement, in your business entity (if you are a corporation or other entity), or in substantially all of the assets of your GoJoe Patrol business.
l.	Our approval of transfer by you	FA: 16.2 DA: 6.2	You may not make any transfers without our prior written consent.
m.	Conditions for our approval of transfer	FA: 16.4 DA: 6.4	Transferee qualified; accrued fees paid; no default exists; sales price reasonable; transferee signs new agreement; (for FA: training arranged and transfer training fee paid; transferee agrees to upgrade and remodel the Office Location); you sign release and transfer fee is paid.
n.	Our right of first refusal to acquire your business	FA: 16.3 DA: Not Applicable	We have the right to match any offer.
o.	Our option to purchase your business	FA: 20.2 DA: Not Applicable	Upon expiration or termination of the Franchise Agreement, we can take assignment of your lease and purchase your business assets.
p.	Your death or disability	FA: 16.6 DA: 6.6	FA & DA: Executor or personal representative must assign your interest to approved party within three months.  FA: If the deceased or incapacitated person is the Operating Principal, then we have the right to manage operation of the GoJoe Patrol business until the transfer is completed. If we exercise this right, then we can charge a reasonable management fee for our services (see Item 6)

	<b>Obligation</b>	<b>Section in Franchise Agreement (FA) or Development Agreement (DA)</b>	<b>Summary</b>
q.	Non-competition covenants during the franchise term	FA: 15.2 DA: 5.2	No diverting customers to or otherwise engaging in " <b>Competing Business</b> " (meaning any business which offers security services) during the term of the Franchise Agreement or Development Agreement with no other temporal or geographical limitation.
r.	Non-competition covenants after the franchise is terminated or expires	FA: 15.2 DA: 5.2	FA: No involvement with Competing Business for two years post-termination or expiration (1) within your Territory plus the area formed by extending the boundary of your Territory by ten miles in any direction; or (2) within the territory assigned to any then-existing GoJoe Patrol business, plus the area formed by extending the boundaries of that territory ten miles in all directions.  DA: No involvement Competing Business for two years post-transfer, termination or expiration (1) within your Development Area, plus the area formed by extending the boundary of the Development Area by ten miles in any direction; or (2) within the Territory assigned to any then-existing GoJoe Patrol business, plus the area formed by extending the boundaries of that Territory by ten miles in any direction.
s.	Modification of the agreement	FA: 25 DA: 9	No modification generally without signed agreement, but we may modify the System and the Manual.
t.	Integration/merger clause	FA: 25 DA: 9	Only the terms of the Franchise Agreement and the Development Agreement are binding (subject to applicable state law). Any representations or promises outside of the disclosure document, the Franchise Agreement or the Development Agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	FA: 26.1 DA: 8	Subject to state law, either party may submit a claim arising out of the Agreement to non-binding mediation; however, the parties will not be required to pursue mediation of any claim as a prerequisite to commencing legal proceedings.
v.	Choice of forum	FA: 26.3 DA: 8	Subject to state law, all claims must be filed in the jurisdiction where we have our principal place of business, which is currently Spokane Valley, Washington.

	<b>Obligation</b>	<b>Section in Franchise Agreement (FA) or Development Agreement (DA)</b>	<b>Summary</b>
w.	Choice of law	FA: 26.2 DA: 8	Subject to state law, Washington law applies.

**ITEM 18**  
**PUBLIC FIGURES**

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

**ITEM 19**  
**FINANCIAL PERFORMANCE REPRESENTATIONS**

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

There were two Affiliate-Owned Businesses in operation as of December 31, 2024. We set forth below certain historical data of one Affiliate-Owned Business that was open for the entire 2024 calendar year. We excluded the results of one Affiliate-Owned Business that was not open for the entire 2024 calendar year and one Affiliate-Owned Business that closed in 2024 and whose business operations were assumed by our original Affiliate-Owned Business.

Annual Gross Sales	Mobile Patrol	Standing Guard	Off Duty Law Enforcement
\$6,998,219	\$2,396,075	\$4,578,643	\$23,501

**NOTES**

1. The term “Gross Sales” in this financial performance representation means the aggregate amount of all revenues generated from the sale of all services, products, merchandise and all other income of every kind related to the GoJoe Patrol business (including the proceeds from business interruption insurance), whether for cash or credit (and regardless of collection in the case of credit). The following are not included in Gross Sales: (a) the amount of any refunds, credits, allowances and adjustments; (b) the amount of any sales taxes or other taxes collected from customers and paid directly to the appropriate taxing authority; (c) proceeds from insurance with respect to property damage or liability; (d) proceeds from any civil forfeiture, condemnation or seizure by governmental entities; and (e) uncollectable amounts subject to the limitation that uncollectable amounts cannot exceed one half of one percent (0.5%) of Gross Sales for any fiscal year and subsequent collections of charged off amounts must be included in Gross Sales when collected.

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

3. Our Affiliate-Owned Business offers services that are substantially similar to the services that you will offer for sale in your GoJoe Patrol Business including mobile patrol services, which are patrol services offered in our branded vehicles, standing guard services, which are offered on site with a qualified security officer, and off duty law enforcement services, which are guard services provided by off duty law enforcement officers.

**4. These businesses have earned this much. Your individual results may differ. There is no assurance that you will earn as much.**

Other than the preceding financial performance representation, 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 Shawn Sladich, our President and General Counsel, at 7011 E Trent Avenue, Suite 103, Spokane Valley, Washington 99212 and 509-869-4432, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

Table No. 1  
Systemwide Outlet Summary for 2022 to 2024

Outlet Type	Year	Outlets at Start of Year	Outlets at End of Year	Net Change
Franchised	2022	0	0	0
	2023	0	1	+1
	2024	1	2	+1
Affiliate-Owned	2022	1	2	+1
	2023	2	2	0
	2024	2	2	0
Total Outlets	2022	1	2	+1
	2023	2	3	+1
	2024	3	4	+1

Table No. 2  
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)  
for 2022 to 2024

State	Year	Number of Transfers
All	2022	0
	2023	0
	2024	0

State	Year	Number of Transfers
Total	2022	0
	2023	0
	2024	0

Table No. 3  
Status of Franchised Outlets  
for 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of Year
SC	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
VA	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Total	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2

Table No. 4  
Status of Affiliate-Owned Outlets  
for 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
ID	2022	0	1	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	1	0	1	0	1
WA	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Total	2022	1	1	0	0	0	2
	2023	2	0	0	0	0	2
	2024	2	1	0	1	0	2

Table No. 5  
Projected Openings For Next Fiscal Year

State	Franchise Agreements Signed but Outlets Not Yet Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Affiliate-Owned Outlets in the Next Fiscal Year
CA	0	1	0
IN	0	1	0
FL	0	1	2
MD	0	1	0
Total	0	4	2

**Notes to Item 20:**

1. All details are as of our fiscal year ends, which fall on December 31 each year.
2. States not listed had no activity during the relevant time frame.
3. Exhibit H contains our list of franchisees and any franchisees who have had an agreement terminated, canceled, not renewed, or who otherwise voluntarily or involuntarily ceased to do business under an agreement during the one-year period ending December 31, 2024, or who have not communicated with us within ten weeks of the date of this disclosure document. If you buy this franchise, then your contact information may be disclosed to other buyers when you leave the franchise system.
4. No franchisees have signed a confidentiality clause in a Franchise Agreement, settlement or other contract within the last three years that would restrict their ability to speak openly about their experience with us.
5. We do not have a franchise advisory council at this time and no independent franchisee organization has asked to be included in this disclosure document.

**ITEM 21**  
**FINANCIAL STATEMENTS**

Exhibit E contains our audited financial statements for the period ending December 31, 2024, December 31, 2023, and December 31, 2022. Our fiscal year ends on December 31 of each year.

**ITEM 22**  
**CONTRACTS**

Attached as Exhibits to this disclosure document are the following contracts:

- Exhibit A      Franchise Agreement
- Exhibit B      Development Agreement
- Exhibit F      State-Specific Agreement Addenda

You must sign our Franchisee Questionnaire, which is attached as Exhibit G before signing your Franchise Agreement.

**ITEM 23**  
**RECEIPTS**

The last two pages of this disclosure document (Exhibit I) are identical pages acknowledging receipt of this entire document (including the exhibits). Please sign and return to us one copy of the receipt page and please keep the other copy together with this disclosure document.

## **ADDITIONAL STATE REQUIRED DISCLOSURES**

### **ADDITIONAL FDD DISCLOSURES REQUIRED BY THE STATE OF CALIFORNIA**

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

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

OUR WEBSITE, WWW.TEAMGOJOE.COM, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

2. **Item 1, Additional Disclosure**. The following statement is added to Item 1:

The state of California Bureau of Security and Investigative Services (“BSIS”) regulates private patrol operators (“Private Patrol Operators”) or businesses that protect persons or property, or prevents theft. Security guards or individuals employed by licensed Private Patrol Operators must register with the BSIS.

3. **Item 3, Additional Disclosure**. The following statement is added to Item 3:

Neither we nor any person listed in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a *et seq.*, suspending or expelling such parties from membership in such association or exchange.

4. **Item 5, Additional Disclosure**. The following statement is added to Item 5:

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.

5. **Item 6, Additional Disclosure**. The maximum rate of interest in California as of the issuance date of the FDD is 10% per annum.

6. **Item 17, Additional Disclosures**. The following statements are added to Item 17:

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

The franchise agreements provide for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101, *et seq.*).

The franchise and area development agreements provide for application of the laws of Washington. This provision may not be enforceable under California law.

The franchise and area development agreements contain a choice of forum provision. This provision may not be enforceable under California law.

The franchise and area development agreements contain a covenant not to compete that extends beyond the termination of the franchise. These provisions may not be enforceable under California law.

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

You must sign a general release upon execution of the franchise agreements, if you transfer the rights granted under those agreements and if you renew your franchise. These provisions may not be enforceable under California law. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 21000 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

**7. Item 22, Additional Disclosure.**

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

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

- 9. Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner of the Department of Financial Protection and Innovation.**

## **ADDITIONAL FDD DISCLOSURES REQUIRED BY THE STATE OF HAWAII**

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

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

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

Registered agent in the state authorized to receive service of process: Commissioner of Securities, Department of Commerce and Consumer Affairs, Business Registration Division, Securities Compliance Branch, 335 Merchant Street, Room 203, Honolulu, Hawaii 96813.

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

**Item 5, Additional Disclosures.** The following statements are added to Item 5:

Based upon the review of our audited financial statements, the Hawaii Department of Commerce and Consumer Affairs Business Registration Division requires us to: (1) defer payment of the Initial Franchise Fee and other initial payments owed by you to us until we have completed our pre-opening obligations under the Franchise Agreement and the Franchised Business has opened for business; and (2) defer payment of the initial franchise fee and other initial payments owed by you to us until we have completed our pre-opening obligations under the Development Agreement and the Franchised Business has opened for business. We will prorate the portion of the Development Fee based on the number of Franchised Businesses to be opened and only the prorated portion of the Development Fee can be collected as the Franchised Businesses are open.

## **ADDITIONAL FDD DISCLOSURES REQUIRED BY THE STATE OF ILLINOIS**

### **1. Risk Factors, Cover Page.**

The following risk factor is added to the end of the risk factors on the State Cover Page:

**MANDATORY MINIMUM PAYMENTS: DURING THE THIRD YEAR OF OPERATION, YOU MUST MAKE MANDATORY MINIMUM ROYALTY PAYMENTS REGARDLESS OF YOUR SALES LEVELS. YOUR INABILITY TO MAKE THESE PAYMENTS MAY RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT.**

### **2. Item 5, Additional Disclosure.** The following statements are added to Item 5:

We will defer the payment of the Development Fee and the Initial Franchise Fee until we complete our pre-opening obligations to you and you open your first GoJoe Patrol Business. The Illinois Attorney General's Office imposed this deferral requirement due to our financial condition.

### **3. Item 17, Additional Disclosures.** The following statements are added to Item 17:

Illinois law shall apply to and govern the Franchise Agreement and Development Agreement.

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 out of Illinois.

Franchisees' 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.

### **4. Item 22, Additional Disclosure.** The following statement is added to Item 22:

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

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to these Additional Disclosures.

## **ADDITIONAL FDD DISCLOSURES REQUIRED BY THE STATE OF MARYLAND**

1. **Item 5, Initial Fees.** The following is added to the end of Item 5:

### **Fee Deferral**

Based upon our financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until we complete our pre-opening obligations under the Franchise Agreement. In addition, all development fees and initial payments owed by developers shall be deferred until the first GoJoe Patrol business under the Development Agreement opens.

2. **Item 17, Additional Disclosures.** The following statements are added to Item 17:

Any provision requiring you to sign a general release of claims against us as a condition of renewal or transfer does not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

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

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

The Franchise Agreement provides for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101, *et seq.*).

3. **Item 22, Additional Disclosure.** The following statement is added to Item 22:

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

## **ADDITIONAL FDD DISCLOSURES REQUIRED BY THE STATE OF MICHIGAN**

**THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU:**

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration, of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years; and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
  - (i) the failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
  - (ii) the fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
  - (iii) the unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
  - (iv) the failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.
- (h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide

third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

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

THE FACT THAT THERE IS A NOTICE OF THIS DISCLOSURE ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding these Additional Disclosures shall be directed to the Department of the Attorney General, Consumer Protection Division, 670 Law Building, 525 West Ottawa Street, Lansing, Michigan 48913, (517) 373-7717.

## **ADDITIONAL FDD DISCLOSURES REQUIRED BY THE STATE OF MINNESOTA**

1. **Fee Deferral.** The following statement is added to Item 5 and Item 7:

Based upon the review of our audited financial statements (attached as Exhibit E) by the State of Minnesota Department of Commerce (the "DOC"), the DOC has required that we defer the payment of: (1) the Development Fee until the first Franchised Business required to be developed under the Development Agreement opens for business; and (2) the Initial Franchise Fee for each Franchised Business until the relevant Franchised Business opens for business. Upon the opening of the first Franchised Business that you develop under the Development Agreement, you must pay to us the Development Fee. Upon the opening of each Franchised Business, you must pay the Initial Franchise Fee for that Franchised Business to us.

2. **Notice of Termination.** The following statement is added to Item 17:

With respect to licenses governed by Minnesota law, we will comply with Minnesota Statute § 80C.14, subdivisions 3, 4, and 5 which requires, except in certain specified cases, 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 agreements.

3. **Choice of Forum and Law.** The following statement is added to the cover page and Item 17:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

4. **General Release.** The following statement is added to Item 17:

Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

5. **Waiver of Right to Jury Trial or Termination Penalties:** The following statement is added to Item 17:

Minnesota Rule 2860.4400J, among other things, prohibits us from requiring you to waive your rights to a jury trial or to consent to liquidated damages, termination penalties, or judgment notes; provided, that this part will not bar an exclusive arbitration clause.

6. **Item 22, Additional Disclosure.** The following statement is added to Item 22:

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

## **ADDITIONAL FDD DISCLOSURES REQUIRED BY THE STATE OF NEW YORK**

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

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

2. **Item 3, Additional Disclosure.** The following is added to the end of Item 3:

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

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

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

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

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

3. **Item 4, Additional Disclosure.** The following is added to the end of Item 4:

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

partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

**4. Item 17: Renewal, Termination, Transfer and Dispute Resolution**

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

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

B. The following language replaces the “Summary” section of Item 17(d), titled “Termination by franchisee”:

You may terminate the agreement on any grounds available by law.

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

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

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

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

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of New York General Business Law, Article 33, Section 680 through 695, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16, are met independently without reference to these Additional Disclosures.

## **ADDITIONAL FDD DISCLOSURES REQUIRED BY THE STATE OF NORTH DAKOTA**

**Item 5: Additional Disclosure.** The following statements are added to Item 5:

**Fee Deferral.** Due to our financial condition, the North Dakota Securities Department requires us to defer the payment of the Development Fee until the first Franchised Business that you develop under the Development Agreement opens for business. Upon the opening of the first Franchised Business, you will pay to us the Development Fee. We also will defer the payment of the Initial Franchise Fee until your Franchised Business opens for business. Upon the opening of the Franchised Business, you shall pay the Initial Franchise Fee to us.

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

The North Dakota Securities Commissioner has held the following to be unfair, unjust, or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

- A. Restrictive Covenants: Franchise disclosure documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.
- B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.
- C. Restriction on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
- D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
- E. Applicable Laws: Franchise agreements which specify that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.
- F. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.
- G. Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.
- H. General Release: Requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.
- I. Limitation of Claims: Requiring that North Dakota franchisees to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
- J. Enforcement of Agreement: Requiring that North Dakota franchisees to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

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

Each provision of the Additional Disclosures shall be effective only to the extent that the jurisdictional requirements of the North Dakota Franchise Investment Law, with respect to each such provision, are met independent of the Additional Disclosures. The Additional Disclosures shall have no force or effect if such jurisdictional requirements are not met.

**ADDITIONAL FDD DISCLOSURE REQUIRED BY THE STATE OF RHODE ISLAND**

**Item 17, Additional Disclosure.** The following statement is added to Item 17:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that: “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

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

## **ADDITIONAL FDD DISCLOSURE REQUIRED BY THE STATE OF SOUTH DAKOTA**

In recognition of the requirements of the South Dakota Franchise Investment Law, South Dakota Codified Laws, Title 37, Chapter 37-5B, Sections 37-5B-1 through 37-5B-53, and the policies of the South Dakota Division of Securities, the Franchise Disclosure Document for GoJoe Patrol Franchising LLC shall be amended by the addition of the following language

1. **Item 5, Additional Disclosure**. The following statement is added to Item 5:

The South Dakota Division of Securities has required that, due to our financial condition, we defer the payment of: (1) the Development Fee until the first GoJoe Patrol Business required to be developed under the Development Agreement opens for business; and (2) the Initial Franchise Fee for each GoJoe Patrol Business until the relevant GoJoe Patrol Business opens for business. Upon the opening of the first GoJoe Patrol Business that you open under a Development Agreement, you will pay the Development Fee. When you open each GoJoe Patrol Business under a Franchise Agreement, you will pay the Initial Franchise Fee.

This addendum to the disclosure document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the South Dakota Codified Laws, Title 37, Chapter 37-5B, Sections 37-5B-1 through 37-5B-53, are met independently without reference to this addendum to the disclosure document.

## **ADDITIONAL FDD DISCLOSURES REQUIRED BY THE STATE OF VIRGINIA**

In recognition of the Virginia Retail Franchising Act, the Franchise Disclosure Document for GoJoe Patrol for use in the Commonwealth of Virginia shall be amended to include the following:

**Additional Disclosure, Item 5.** The following is added to Item 5:

We will defer the payment of the Development Fee and the Initial Franchise Fee until we complete our pre-opening obligations to you and you open your first GoJoe Patrol Business. The Virginia Attorney General's Office imposed this deferral requirement due to our financial condition.

**Termination, Item 17.** The following is added to Item 17(h):

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

**Additional Disclosure, Item 22.** The following is added to Item 22:

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

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

## **WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT**

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** 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.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.
9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
14. **Noncompetition Covenants.** 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 provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
15. **Nonsolicitation Agreements.** 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.
16. **Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).
18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. **Fee Deferral.** In lieu of an impound of franchise fees, we will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all initial training that it is entitled to under the Franchise Agreement or disclosure document, and (b) is open for business. Because we have material pre-opening obligations with respect to each Franchised Business the franchisee opens under the Development Agreement, payment of the development fee will be released proportionally with respect to each Franchised Business opened and is deferred until the franchisor has met all its pre-opening obligations under the Franchise Agreement and the franchisee is open for business with respect to each such Franchised Business.

**EXHIBIT A**  
**FRANCHISE AGREEMENT**



**FRANCHISE AGREEMENT**

**FRANCHISEE:**

**TERRITORY:**

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## GOJOE PATROL FRANCHISE AGREEMENT

This GoJoe Patrol Franchise Agreement (“**Agreement**”) is entered into by and between **GoJoe Patrol Franchising, LLC**, a Washington limited liability company (“**we**,” “**us**” or “**Franchisor**”) and the person(s) or entity identified on Exhibit A to this Agreement (“**you**” or “**Franchisee**”) as of the Effective Date (as defined in Section 1 and as indicated on the signature page of this Agreement).

### BACKGROUND

A. We and our affiliates have developed a proprietary system relating to the establishment and operation of businesses that provide security services to commercial and residential customers utilizing approachable and well-trained personnel and distinctive patrol vehicles that establish a deterrent to criminals (the “**System**”).

B. The distinguishing characteristics of the System include our standards, policies and procedures for: vehicles, uniforms and equipment for security personnel; office equipment and layout; operations, staffing and employee training; customer service; maintaining quality and consistency of service offering; information technology and software systems; sales, advertising, promotion, public relations, and social media; and copyrights and copyrighted materials (collectively, the “**Proprietary Materials**”), all of which we may change, improve, and further develop from time to time.

C. We and our affiliates identify the System and the businesses operating under it (“**GoJoe Patrol Businesses**”) by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including the mark “GOJOE PATROL®” and such other trade names, service marks, and trademarks as we may designate in the future for use in connection with the System (the “**Marks**”).

D. You wish to obtain the right to establish and operate a franchised GoJoe Patrol Business within a specified geographic area from a designated office location.

In recognition of all of the details noted above, the parties have decided to enter into this Agreement, taking into account all of the promises and commitments that they are each making to one another in this Agreement, and they agree as follows:

### 1 DEFINITIONS

The terms defined in the “Background” section and this Section 1 have the meanings set forth in those sections. Other capitalized terms used in this Agreement are defined where they appear within the text of the Agreement.

1.1 “**Authorized Supplier**” means a supplier of products and/or services used in the operation of a GoJoe Patrol Business who has been expressly approved by us in writing. Authorized Suppliers may be, or include, us and/or our affiliates and/or a buying cooperative that we establish.

1.2 “**Brand Fund**” means the common pool of funds for the enhancement, promotion, and protection of the System, to which GoJoe Patrol Businesses contribute and which we administer as provided in Section 10.4.

1.3 “**Manual**” means our confidential brand standards manual, which is a library of material addressing specific aspects of operating a GoJoe Patrol Business. The term “Manual” also includes all written correspondence, other publications, materials, drawings, memoranda, videos, and electronic media regarding the System that we may provide to you from time to time.

1.4 “**Effective Date**” means the date entered in the space so designated on the signature page of this Agreement, which is the date that we counter-sign this Agreement.

1.5 **“Force Majeure”** means any natural disaster, strike, lock-out or other industrial disturbance, act or threat of terrorism, war (declared or undeclared), riot, epidemic, pandemic, fire or other catastrophe, act of any government or other third party and any other cause not within the control of the party affected thereby.

1.6 **“Franchised Business”** means the franchised GoJoe Patrol Business that you operate at the Office Location.

1.7 **“Franchisee Affiliate”** means any business entity that controls, is controlled by, or is under common control with Franchisee.

1.8 **“GoJoe Patrol Business”** means a business offering security services operated by us, our affiliate or an authorized franchisee using the System and the Marks.

1.9 **“Gross Sales”** means the aggregate amount of all revenues generated from the sale of all services, products, merchandise and all other income of every kind related to the Franchised Business (including the proceeds from business interruption insurance), whether for cash or credit (and regardless of collection in the case of credit). The following are not included in Gross Sales: (a) the amount of any refunds, credits, allowances and adjustments; (b) the amount of any sales taxes or other taxes collected from customers and paid directly to the appropriate taxing authority; (c) proceeds from insurance with respect to property damage or liability; (d) proceeds from any civil forfeiture, condemnation or seizure by governmental entities; and (e) uncollectable amounts subject to the limitation that uncollectable amounts cannot exceed one half of one percent (0.5%) of Gross Sales for any fiscal year and subsequent collections of charged off amounts must be included in Gross Sales when collected. We reserve the right to modify our policies consistent with industry practices regarding revenue recognition, revenue reporting, and the inclusion in or exclusion of certain revenue from “Gross Sales” as circumstances, business practices, and technology change.

1.10 **“House Accounts”** means customers with whom we have national or regional account arrangements.

1.11 **“Immediate Family Member”** means spouses and domestic partners, children 18 years and over, parents, and siblings.

1.12 **“Office”** means the facility from which you will operate the Franchised Business.

1.13 **“Office Location”** means the site on which the Office is located, as approved by us in writing.

1.14 **“Operating Principal”** means the individual whose role is defined in Section 14.5 and who is identified in Exhibit B.

1.15 **“Technology Fund”** means the common pool of funds accrued for the development and implementation of technology policies and procedures for the enhancement of the System and the prevention of technological stagnation or obsolescence, to which GoJoe Patrol Businesses contribute and which we administer as provided in Section 8.17.

1.16 **“Territory”** means the geographic area described in Exhibit A within which you are authorized to offer security services to customers of the Franchised Business.

## **2 GRANT AND INITIAL TERM**

2.1 **Grant.** Subject to the terms and conditions of this Agreement, we grant to you the non-exclusive right, and you undertake the obligation, to continuously operate the Franchised Business from the Office Location and a license to use the Marks and the System solely in connection with the Franchised

Business, and only in the Territory, in compliance with the operating standards set forth in the Manual (the “**Franchise**”). If, at the time of execution of this Agreement, you have not secured the Office Location for the Franchised Business that we have accepted, then you must select a site for your Office in accordance with Section 3.2 of this Agreement. You have no right under this Agreement to use, and you will not use, the System, Marks, or Office Location in connection with any other business, activity, or unapproved items or services.

2.2 Initial Term. Unless terminated sooner as provided in this Agreement, the initial term of this Agreement (the “**Initial Term**”) expires ten (10) years following the Effective Date. Your rights to seek a successor franchise agreement for an additional term are set forth in Section 18.

2.3 Territory and Limited Exclusivity.

2.3.1 You are not permitted to offer security services to customers located outside your Territory without our prior written approval. Provided you are not in material uncured default of this Agreement and subject to the rights reserved in this Section 2.3, during the term of this Agreement, we and our affiliates will not operate, or license others to operate, another GoJoe Patrol Business that has an office or a territory within your Territory. You acknowledge that the rights granted under this Agreement are not exclusive and that, except as expressly provided in this Section 2.3.1, you have no exclusive territorial rights, protected territory or other right to exclude, control or impose conditions on the location or development of GoJoe Patrol Businesses under the Marks, on any sales or distribution of products under the Marks, or on our (and our affiliates’) business activities.

2.3.2 Notwithstanding the grant of the Territory in Section 2.3.1, we reserve the right to: (a) distribute products identified by the Marks in the Territory through any method or channel of distribution other than the operation of a security services business including through the internet, wholesale, mail order and catalog; (b) operate, and license others to operate, during the term of this Agreement, businesses identified in whole or in part by the Marks that provide security services outside of the Territory; (c) operate, and license others to operate, after this Agreement terminates or expires, businesses identified in whole or in part by the Marks that provide security services at any location, including within the Territory; (d) operate, and license others to operate, at any location, including locations inside the Territory, during or after the term of this Agreement, any type of business that is not identified in whole or in part by the Marks and that does not offer security services; (e) develop and own other franchise systems for the same or similar services using trade names and trademarks other than the Marks; (f) purchase, be purchased by, merge or combine with, businesses that directly compete with GoJoe Patrol Businesses; and (g) provide security services, or permit a third party to provide security services, to House Account customers in the Territory if you elect not to service their accounts in accordance with Section 2.3.4 below.

2.3.3 You have the right to advertise and market the services of the Franchised Business and directly solicit customers only inside the Territory. You may not engage in any advertising of the Franchised Business or directly solicit customers outside of the Territory, unless you obtain our prior written consent. “**Direct solicitation**” includes solicitation in person, by telephone, by mail, by email, and by distribution of brochures, business cards or other materials. If any of your advertising within the Territory is in media that will or may reach a significant number of persons outside of the Territory, then you must notify us in advance and obtain our prior written consent. We may establish rules and policies from time to time regarding such advertising. If you advertise in a medium whose distribution covers other GoJoe Patrol Business territories, then we will not grant our consent unless you include the contact information for each and every GoJoe Patrol Business in the medium’s distribution area in the advertising materials, and comply with such other conditions as we may require.

2.3.4 We may, in our sole discretion, authorize you to market to and directly solicit customers and perform security services in an open territory not assigned to a GoJoe Patrol Business, provided that, should we later assign that territory to a GoJoe Patrol Business, you agree to immediately stop marketing in that territory, to promptly transfer and facilitate the transfer of all customers in that territory to the new GoJoe Patrol Business at the expiration of their contract with you unless the customer makes

an unsolicited request to continue your contract, and to provide us with all customer information that you have acquired relating to that territory. You will not have any rights of first refusal to that open territory.

2.3.5 You acknowledge that our negotiation of House Account arrangements, including rates and services to be performed, enhances the potential value of the System and inures to your benefit, our benefit, and the benefit of other GoJoe Patrol Businesses. Accordingly, we reserve the right to establish and administer House Accounts that may request security services within your Territory. If you are in good standing under this Agreement, we may offer you the opportunity to service House Accounts in your Territory in accordance with the pricing and other terms negotiated by us. You may be required to sign a House Accounts Program Participation Agreement to be listed as a participating GoJoe Patrol Business with respect to a House Account. If you elect not to service a House Account, then we or another System franchisee may perform the service in your Territory and we will not offer you the opportunity to service any additional House Accounts for the remainder of the term of this Agreement. The details of any House Accounts Program that we establish will be set forth in the Manual.

2.3.6 You acknowledge that advertising and promotional materials created, placed, and/or distributed by us, other franchisees operating under the System, or other entities authorized by us, may appear in media distributed in, or may be directed to prospective customers located within, the Territory, including on our System website or any related online site.

2.4 Forms of Agreement. You acknowledge that, over time, we have entered, and will continue to enter, into agreements with other franchisees that may contain provisions, conditions and obligations that differ from those contained in this Agreement. The existence of different forms of agreement and the fact that we and our affiliates and other franchisees may have different rights and obligations does not affect the duties of the parties to this Agreement to comply with the terms of this Agreement.

2.5 Best Efforts. You agree that you will at all times faithfully, honestly and diligently perform your obligations under this Agreement, that you will continuously exert your good faith and best efforts to promote and enhance the Franchised Business, and that you will not engage in any other business or activity that may conflict with your obligations under this Agreement, except the operation of other GoJoe Patrol Businesses authorized by us.

### **3 SITE SELECTION AND BUILD OUT OF THE OFFICE**

3.1 Your Responsibility. You assume all cost, liability, expense, and responsibility for building out the Office and operating the Franchised Business in accordance with our standards for the Office Location.

3.1.1 If the Franchised Business is the first GoJoe Patrol Business developed by you and any Franchisee Affiliate, we will allow you to operate your Franchised Business from a home office for six (6) months following the Effective Date, provided that your home office is located in a space separate from your living space and used only for operating the Franchised Business. We have the right to enter your home office at any time during regular business hours. You must obtain our prior written approval of an Office Location, acquire a possessory or leasehold interest in the Office Location, and build out the Office prior to the seven (7) month anniversary of the Effective Date ("**Office Setup Deadline**").

3.1.2 If you or any Franchisee Affiliate already operate another GoJoe Patrol Business when you sign this Agreement, your Office Setup Deadline shall be reduced to the one (1) month anniversary of the Effective Date.

3.1.3 Any failure by you to meet the Office Setup Deadline shall be a default of this Agreement for which we can terminate this Agreement without providing you an opportunity to cure the default. **TIME IS OF THE ESSENCE.**

### 3.2 Site Selection.

3.2.1 We will provide you with general site selection criteria for GoJoe Patrol Businesses and, as you may request, a reasonable amount of consultation with respect to the site selection process. You will be solely responsible for locating and obtaining a suitable site for your Office, which we have the right to accept or reject at our sole discretion. Before entering into a lease agreement or other binding agreement to acquire the proposed site, you must: submit written information to us regarding the proposed site according to our System standards or as we reasonably request; and verify to us in writing that the proposed site meets our site selection criteria ("**Site Application**"). A site visit is not required but may be conducted at our discretion and expense. If you request a site visit, then you agree to pay all expenses associated with the site visit including the travel expenses and wages of our personnel. We will approve or reject the proposed site within fifteen (15) days of the receipt of your completed Site Application. If we reject the proposed site, then you must select an alternate site and repeat the site selection process until we have approved a proposed site for your Office. You acknowledge and agree that our approval of a site does not constitute a representation or warranty of any kind, express or implied, as to the suitability of the site for an Office or for any other purpose. Our approval of the site indicates only that we believe that a site falls within our acceptable site selection criteria as of that time. If you and we are not able to reach agreement on an Office Location by the Office Setup Deadline, then we have the option to terminate this Agreement.

3.2.2 You agree that your decision to build out the Office at the Office Location is based solely on your own independent investigation of the suitability of that site for your Office. We assume no liability or responsibility for: (a) evaluation of the soil of the site for hazardous substances; (b) inspection of any structure at the site for asbestos or other toxic or hazardous materials; (c) compliance with the Americans with Disabilities Act; or (d) compliance with any other applicable law. It is your sole responsibility to obtain satisfactory evidence and/or assurances that the site and any structures on the site are free from environmental contamination and in compliance with the requirements of the Americans with Disabilities Act.

3.3 Acquisition of Office Location. If you propose to purchase the Office Location, then you must provide us with a copy of the deed or other evidence of ownership before the Office Setup Deadline. If you propose to lease or sublease the Office Location, then you must provide us with a copy of the fully-executed lease or sublease for the Office Location ("**Lease**") before the Office Setup Deadline. After you secure an ownership or leasehold interest in the Office Location, we will insert its address into Exhibit A. You hereby authorize us to deliver to you replacements for Exhibit A identifying the Office Location, and upon our delivery to you of a revised Exhibit A, that Exhibit A shall be binding upon us and you as if we and you had signed that Exhibit A as of the Effective Date.

3.4 Lease Provisions. We have the right to review the terms of the Lease for the Office Location before you sign the Lease. The Lease must: (a) in form and substance, be satisfactory to us; (b) include all of the provisions set forth in the form of Addendum to Lease attached to this Agreement as Exhibit D; (c) contain terms and conditions and payments that are commercially reasonable in our opinion; and (d) include any other provisions as we may require from time to time. The Lease shall not contain any covenants or other obligations that would prevent you from performing your obligations under this Agreement. You acknowledge that our review of the Lease is not a guarantee or warranty, express or implied, of the success or profitability of a GoJoe Patrol Business operated at the Office Location. Our review will indicate only whether we believe that the terms of the Lease meet our then-acceptable criteria.

3.5 Office Buildout and Equipment. We will provide you with our standard office layout plans and specifications. You assume all cost, liability and expense for completing the build out of the Office in accordance with our plans and specifications. You must obtain all required construction and occupancy licenses, permits and approvals for the Office prior to the Office Setup Deadline. We will provide specifications for equipment, vehicles, vehicle wraps and magnetic signage, fixtures, furniture, décor items, lighting, utilities and hookups, layout, and interior and exterior signage. You must purchase or lease these items only from Authorized Suppliers. You will not make any material alteration to these items without our prior, express, written approval. You agree to identify your vehicles and the Office Location with only the

signs, logos and display materials that we have approved. You must ensure that your employees use the vehicles, uniforms, and equipment that we specify when they are providing services to customers of the Franchised Business.

3.6 Opening the Franchised Business. You must open the Franchised Business by actively providing security services to commercial and residential customers located within your Territory no later than one hundred twenty (120) days following the Effective Date ("**Opening Deadline**"), unless we agree in writing otherwise. **Time is of the essence in the opening of the Franchised Business, and failure to comply with all deadlines relating thereto constitutes a material breach and default of this Agreement.** You shall not open the Franchised Business for business without our express written authorization, which will not be granted unless you have satisfied the following conditions:

3.6.1 You have paid the Initial Franchise Fee (as defined in Section 4.1) and any other amounts then due to us;

3.6.2 You have signed this Agreement and all other agreements as required by us including the electronic funds transfer documents described in Section 4.7;

3.6.3 You must not be in material default under this Agreement or any other agreements with us; you must not be in default beyond the applicable cure period under any real estate lease, equipment lease or financing instrument relating to the Franchised Business and/or the Office; you must not be in default beyond the applicable cure period with any Authorized Supplier to the Franchised Business; and for the previous six (6) months, you must not have not been in material default beyond the applicable cure period under any agreement with us;

3.6.4 You have setup your temporary home Office, if applicable, or completed the Office setup if you have secured an Office Location;

3.6.5 You have obtained, provided copies to us, and maintain all required building, utility, sign, business and other permits and licenses applicable to the Franchised Business;

3.6.6 You have acquired all specified equipment and vehicles for the Franchised Business, including obtaining the wraps and staging for your vehicles;

3.6.7 You have purchased all required technology systems and they are operational;

3.6.8 You have purchased an opening inventory of supplies for the Franchised Business of only authorized and approved products and other materials and supplies;

3.6.9 All required personnel have completed our training program in accordance with the requirements of Section 6; and

3.6.10 You have obtained and provided to us copies of certificates for all insurance policies required by Section 11 or such other evidence of insurance coverage and payment of premiums as we reasonably may request.

3.7 Relocation. Once the Office Location is secured, you may not relocate the Office without our prior written consent, which may be withheld by us in our reasonable business discretion. You must comply with all of the requirements of this Section 3 with regard to any relocation. If we approve a relocation of your Office Location, then you must pay a relocation fee in the amount of One Thousand Dollars (\$1,000) and such greater amount as is necessary to reimburse us for all reasonable expenses actually incurred by us in connection with the relocation.

## 4 FEES

4.1 **Initial Franchise Fee.** In consideration of the Franchise rights granted in this Agreement, you must pay us a non-refundable initial franchise fee in the amount set forth in Exhibit A, which is due and payable when you sign this Agreement (“**Initial Franchise Fee**”). You acknowledge and agree that the Initial Franchise Fee is fully earned by us when paid, and we have no obligation to refund the Initial Franchise Fee in whole or in part for any reason. However, if the Franchised Business is the first GoJoe Patrol Business that you or your Franchisee Affiliates have developed and we terminate this Agreement based on the failure of your Operating Principal (and/or one of your owners if your Operating Principal is not one of your owners), or their replacement to attend and successfully complete our training program to our satisfaction, then we may, in our sole discretion, refund up to fifty percent (50%) of the Initial Franchise Fee. As a condition of any such refund, we may require that you and your owners sign a general release, in the form prescribed by us, of any and all claims against us, our affiliates and our respective past, present and future officers, directors, shareholders and employees.

4.2 **Royalty Fee.** Beginning on the date you commence operation of your Franchised Business, you must pay us on the fifth (5th) day of each month thereafter (or such other date as we may designate) a monthly non-refundable royalty fee for the continued use of the Franchise rights in an amount equal to five percent (5%) of the Gross Sales of the Franchised Business for the preceding month (the “**Royalty Fee**”). Beginning on the third (3rd) anniversary of the Effective Date, you must pay us on the fifth (5th) day of each month thereafter (or such other date as we may designate) a monthly non-refundable royalty fee the greater of: (a) five percent (5%) of the Gross Sales of the Franchised Business for the preceding month; or (b) a minimum royalty fee of Three Thousand Five Hundred Forty Dollars (\$3,540).

4.3 **Brand Fund Contribution.** You must contribute two percent (2%) of the Gross Sales of the Franchised Business to the Brand Fund at the same time and in the same manner as you pay the Royalty Fees. We have the right to alter the amount of the Brand Fund contribution as described in Section 10.3.

4.4 **Technology Fund Contributions.** You must contribute one half of one percent (0.5%) of the Gross Sales of the Franchised Business to the Technology Fund at the same time and in the same manner as you pay the Royalty Fees.

4.5 **Other Funds Due.** You agree to pay us, within ten (10) days of our written request (which is accompanied by reasonable substantiating material), any monies that we have paid, or that we have become obligated to pay, on your behalf, by consent or otherwise under this Agreement.

4.6 **Taxes Imposed on Us.** If any taxes, fees or assessments (other than income taxes) are imposed on us by reason of our acting as franchisor or licensing the Marks under this Agreement, then you must reimburse us for the amount of those taxes, fees or assessments within thirty (30) days after receipt of an invoice from us.

4.7 **Payment Method.** You must designate an account at a commercial bank of your choice (the “**Account**”) for the payment of amounts due to us and/or our affiliates, including Royalty Fees, Brand Fund contributions, and Technology Fund contributions. You must furnish us and the bank with authorizations as necessary to permit us to make withdrawals from the Account by electronic funds transfer (including the ACH Authorization Form attached as Exhibit F). On the fifth (5th) day of each month, or at another point specified by us in the Manual from time to time (“**Due Date**”), we will transfer from the Account an amount equal to the Royalty Fees, Brand Fund contributions, and Technology Fund contributions due from you based on the Gross Sales of the Franchised Business for the preceding month, as well as any other fees due to us and/or our affiliates. You agree to maintain sufficient funds in the Account at all times to cover all Royalty Fees, Brand Fund contributions, and Technology Fund contributions and other fees payable to us or our affiliates. If funds in the Account are insufficient to cover the amounts payable at the time we make our electronic funds transfer, then the amount of the shortfall will be deemed overdue. You must notify us at least ninety (90) days before closing or changing the Account against which such debits are to be made. If such Account is closed or ceases to be used, then you will immediately provide all documents and information necessary to permit us to debit the amounts due from an alternative account.

We reserve the right to modify, at our option, the method by which you pay the fees due under this Agreement whenever we deem appropriate, and you must comply with our payment instructions.

4.8 If we supply products to you, we may require pre-payment or payment on delivery depending on our then-current policies and your payment record with us.

4.9 Interest and Insufficient Funds Charges. If any payment is overdue, then you must pay us, in addition to the overdue amount, interest on the overdue amount from the date it was due until paid at the rate of one and a half percent (1.5%) per month or the maximum rate permitted by applicable law, whichever is less. The interest charges are in addition to any other remedies we may have.

4.10 Application of Payments. We have the right to apply payments from you in any way we choose, to any amounts you owe us.

4.11 No Offset. You shall not withhold or off-set any portion of any payment due to our alleged non-performance under this Agreement or any other agreement by and between you and us or our respective affiliates.

4.12 Partial Payments. No payment by you or acceptance by us of any monies under this Agreement for a lesser amount than due shall be treated as anything other than a partial payment on account. Your payment of a lesser amount than due with an endorsement, statement or accompanying letter to the effect that payment of the lesser amount constitutes full payment shall be given no effect, and we may accept the partial payment without prejudice to any rights or remedies we may have against you. Acceptance of payments by us other than as set forth in this Agreement shall not constitute a waiver of our right to demand payment in accordance with the requirements of this Agreement or a waiver by us of any other remedies or rights available to us pursuant to this Agreement or under applicable law. Notwithstanding any designation by you, we shall have sole discretion to apply any payments by you to any of your past due indebtedness for Royalty Fees, Brand Fund contributions, Technology Fund contributions, fees, purchases from us or our affiliates, interest or any other indebtedness. We have the right to accept payment from any other entity as payment by you. Acceptance of that payment by us will not result in that other entity being substituted for you.

4.13 Collection Costs and Expenses. You must pay to us on demand any and all collection costs and expenses (including costs and commissions due a collection agency, costs incurred in creating or replicating reports demonstrating Gross Sales of the Franchised Business, reasonable attorneys' fees, court costs, expert witness fees, discovery costs and reasonable attorneys' fees and costs on appeal, together with interest charges on all of the foregoing) incurred by us in enforcing the terms of this Agreement, including in collecting any monies owed by you to us.

## **5 DUTIES OF FRANCHISOR**

5.1 Specifications. We will provide specifications for vehicles, vehicle wraps and magnetic signage.

5.2 Manual. We will loan the Manual to you for the Initial Term of this Agreement.

5.3 Training. We will provide a training program for the persons that we require or permit to attend training under Section 6 of this Agreement.

5.4 Supervision. We will provide pre-opening and opening supervision and assistance as we deem advisable.

5.5 Authorized Suppliers. We will name Authorized Suppliers as we deem appropriate and review suppliers that you nominate, subject to the limitations in Section 8.4.

5.6 Marketing Materials. In addition to the advertising and promotional materials produced and placed by the Brand Fund on behalf of the System, we will make available to you for purchase certain advertising and promotional materials that you can adapt for the Franchised Business.

5.7 Operational Advice. We will provide to you from time to time, as we deem appropriate, advice and written materials concerning techniques of managing and operating a GoJoe Patrol Business.

## **6 TRAINING**

6.1 Pre-Opening Training. If the Franchised Business is the first or second franchised GoJoe Patrol Business developed by you and/or any Franchisee Affiliates, then at least thirty (30) days before opening the Franchised Business, your Operating Principal (and one of your owners if your Operating Principal is not an owner) must attend and successfully complete our training program to our satisfaction. The training program will include up to five (5) days of online, classroom and on-the-job training at our home office and/or another training site that we designate. We may increase or reduce the required training based on our assessment of an individual's prior experience. The training program includes a train-the-trainer program and materials that you can use in training your employees and replacement personnel. We will have the right to require that your personnel sign and deliver to us a confidentiality agreement prior to participating in any aspect of the training program.

6.2 Opening Training. If the Franchised Business is the first or second GoJoe Patrol Business developed by you and/or any Franchisee Affiliates, when you are ready to open the Franchised Business and subject to our availability, we will send a representative to your Office to provide additional training, opening support and marketing assistance for up to five (5) days. You will not be required to pay any additional costs for any of the travel or living expenses incurred by our representative while they provide the opening training. If you and/or any Franchisee Affiliates already operate two (2) GoJoe Patrol Businesses, then you will be responsible for training the Operating Principal and employees of the Franchised Business using our train-the-trainer program materials.

6.3 Train-the-Trainer Program. You must train your own personnel using our train-the-trainer program materials. You will be responsible for all costs that you incur in training your employees. We may periodically update the train-the-trainer program materials for your use in training your employees. If you request our on-site assistance with training your staff, then we may charge you our then-current per diem training fee as set forth in the Manual and you must reimburse us for our travel, meals and lodging expenses.

6.4 Additional Training. After the Franchised Business opens for business:

6.4.1 Your replacement Operating Principal(s) must attend and successfully complete our initial training program within sixty (60) days of being appointed as your Operating Principal. We do not charge a fee for your replacement Operating Principals to attend our training program; however, you must pay all travel, meals and lodging expenses incurred by your Operating Principal to attend the training program.

6.4.2 Your employees that we reasonably designate must attend and complete, to our satisfaction, any additional training programs that we reasonably require from time to time. We may require you to pay reasonable training fees for these programs (plus travel, meals and lodging expenses for our representatives, if we conduct the training at your Office).

6.4.3 You (and/or your Operating Principal) must attend our periodic conventions, regional meetings and conferences. You are responsible for the registration fee for these meetings (which will not exceed One Thousand Dollars (\$1,000) per attendee) and the costs of travel and accommodations.

6.4.4 We periodically, as we deem appropriate, will advise and consult with you in connection with the operation of the Franchised Business. We may provide these services through visits

by our representatives to your Office, the distribution of printed, filmed or electronic information, meetings or seminars, telephone communications, e-mail communications or other communications. We will periodically inspect the Franchised Business and its operations to assist your operations and ensure compliance with the System. At your request, we may provide special assistance and/or remedial training at your Office, our headquarters, or another GoJoe Patrol Business for which you will be required to pay our per diem training fees and charges that we may establish from time to time.

6.5 Delegation. We have the right to delegate the performance of any portion or all of our obligations and duties under this Agreement to our designees, whether affiliates or agents of ours or independent contractors with whom we have contracted.

6.6 Control by Us. Notwithstanding anything to the contrary in this Section 6, you and we recognize and agree that we do not exercise any day-to-day control of the Franchised Business, including the security at the Franchised Business and the hiring and firing of employees.

6.7 Training Methods; Expenses. Except for the classroom and the on-the-job training portions of the GoJoe Patrol training program, we have the right to provide training programs in person, by video, via the internet, or by other means, as we determine. All training that we conduct in person will be held at a location that we designate. You are responsible for all expenses of your trainees, including the costs of transportation, lodging, meals, and wages.

## **7 MANUAL**

7.1 Access to the Manual. During the term of this Agreement, we will provide you with electronic access to the Manual, which contains information and knowledge that is unique, necessary and material to the System. The Manual contains detailed standards, specifications, instructions, requirements, forms, reports, methods and procedures for the management and operation of GoJoe Patrol Businesses. The Manual also may relate to the selection, method, purchase, storage, and sale of all services, equipment, and products offered at the GoJoe Patrol Businesses; management and employee training; marketing, advertising and sales promotions; computer systems, vehicles, graphics, signs, interior and exterior decor items, employee and security personnel dress attire and appearance standards; and accounting, bookkeeping, records retention and other business systems, procedures and operations. You agree at all times to operate the Franchised Business in strict conformity with the Manual; to maintain the Manual at the Office Location; to not reproduce the Manual or any part of it; and to protect the Manual as confidential and proprietary, disclosing the contents of the Manual only to your employees who have signed a confidentiality agreement and who have a demonstrated need to know the information contained in the Manual.

7.2 Modifications to the Manual. We may supplement or amend the Manual from time to time by letter, electronic mail, bulletin, videos, software or other communications concerning the System to reflect changes in the image, specifications and standards relating to developing, equipping, furnishing and operating a GoJoe Patrol Business. We reserve the right to furnish all or part of the Manual to you in electronic form or online (including by intranet or extranet) and to establish terms of use for electronic access to the Manual. You agree to keep your copy of the Manual current and up-to-date with all additions and deletions provided by or on behalf of us. If a dispute relating to the contents of the Manual develops, then the master copy maintained by us at our principal offices shall control.

7.3 Electronic Access. At our option, we may post some or all of the Manual on a restricted website to which you will have access. If we do so, then you agree to timely monitor and access the website for any updates to the Manual. Prior to accessing our restricted website you and any of your employees must agree to abide by our terms of use, which we may revise from time to time. Any passwords or other digital identifications necessary to access the Manual constitute confidential information owned by us and shall not be shared by employees or with any third party.

## 8 OPERATION OF THE FRANCHISED BUSINESS

8.1 Compliance with System Standards. In order to protect our reputation and goodwill and to maintain high standards of operation under the System, you must operate the Franchised Business in strict conformance with the methods, standards, and specifications we prescribe from time to time in the Manual or otherwise in writing. You acknowledge that the System standards may relate to any aspect of the operation of the Franchised Business. Any material failure to comply with the mandatory System standards or to pass our periodic quality control inspections will constitute a material breach of this Agreement. You acknowledge that we have the right to vary our standards and specifications, in our reasonable judgment, to accommodate the individual circumstances of different franchisees.

### 8.2 Approved Services and Products.

8.2.1 You must at all times maintain a complete inventory of approved products and supplies necessary for operating the Franchised Business and providing services to customers. You must offer for sale by the Franchised Business all services and products that we designate as required items. You may also offer for sale any optional services and products that we designate. You must provide services only using the methods that we have approved. You must sell products only in the weights, sizes, forms, and packaging that we have approved. You must discontinue selling or offering for sale any services or products which we, in our sole discretion, disapprove in writing at any time. If you would like to use or offer services, products, supplies, and/or equipment that we have not approved, then you agree to first submit to us a written request for approval and you shall refrain from offering or using these items at the Franchised Business until you have received our written approval. We have the right to require you to use only certain brands and to prohibit you from using other brands. We may from time to time modify the list of approved brands and you shall not reorder any brand that is no longer approved.

8.2.2 Within thirty (30) days after receipt of written notice from us, you must begin selling any newly approved services and products and cease selling any services and products that are no longer approved. Products and services already scheduled under contract at the time you receive notice of discontinuance may be provided to fulfill the contract unless the disapproved product or service poses a safety or health threat to customers, employees or the public in which case usage shall be stopped immediately. All services and products authorized for sale at the Franchised Business shall be offered for sale under the specific name designated by us. If you have a suggestion for a new service or product or for a change to an authorized service or product or you desire to participate in a test market program, then you must provide us written notice prior to implementation, and obtain our prior written consent. You may not add or modify any product or service or participate in a test market program without first having obtained our prior written approval. You must purchase any additional equipment and supplies as we deem reasonably necessary in connection with new services and products. If we require you to begin offering a new service or product which requires the purchase of additional equipment, then we will provide you with a reasonable period of time, as determined in our sole discretion, for the financing and purchase of any such equipment before you must offer such new product or service for sale at the Franchised Business.

8.3 Sourcing of Services and Products. We have the right to require that all current and future products, supplies, equipment, furnishings, promotional items, information technology services, credit card processing services, and other services and products that you purchase for the operation of, or sale in, the Franchised Business: (a) meet specifications that we establish from time to time, as set forth in the Manual or otherwise in writing; and/or (b) be purchased only from Authorized Suppliers. To the extent that we establish specifications or name Authorized Suppliers for particular items, we will provide our requirements to you in writing. You must submit orders in accordance with the terms and procedures we specify from time to time. Any conflicting terms and conditions of sale stated in your purchase order will have no effect. In case of shortages, we will have complete discretion to allocate products among GoJoe Patrol Businesses (and, at our option, other channels of distribution). If shortages or an event of Force Majeure prevent us from being able to supply your Franchised Business with its requirements, then you are authorized to purchase products from other sources for use at the Franchised Business until we are again able to meet the requirements of the Franchised Business, provided that the alternative products meet our specifications and that we have given our prior written approval. Although approved by us or supplied by us, we and our affiliates make no warranty

and expressly disclaim all warranties, including warranties of merchantability and fitness for any particular purpose, with respect to services, products, equipment (including any required computer and software systems), supplies, fixtures, furnishings or other approved items. In addition, we disclaim any liability arising out of or in connection with the services rendered or products furnished by any Authorized Supplier. Our approval with respect to any services, goods, supplies or any other individual, entity or any item shall not create any liability on us.

8.4 Alternate Supplier Review Process. If we require you to use an Authorized Supplier for a particular item, but you wish to purchase the item from a supplier that we have not approved, then you may submit a written request for approval of the alternate supplier, unless it is an item for which we have designated a particular supplier. We have no obligation to review or approve a greater number of suppliers for an item than the number we deem reasonable, and any proposed supplier relationship must not jeopardize the availability of any special pricing or other benefits offered by our existing suppliers based on system-wide purchases. We will provide our standards and specifications to you or to the proposed supplier, subject to the supplier's execution of a confidentiality agreement in a form acceptable to us. We have the right to inspect the proposed supplier's facilities and to require delivery of product samples either to us or to an independent laboratory designated by us for testing. Upon completion of our analysis, we will notify you in writing of our approval or disapproval of the proposed supplier. You agree to pay a charge not to exceed our reasonable costs incurred in evaluating the supplier, regardless of whether or not we approve the supplier, unless the supplier becomes an Authorized Supplier to the System, in which case we may waive this charge at our sole discretion. You may not purchase, sell, or offer for sale any services or products of the proposed supplier until you receive our prior, written approval of the proposed supplier. We have the right to re-inspect the facilities and products of any Authorized Supplier and to revoke approval upon the supplier's failure to meet any of our then-current criteria. If you receive a notice of revocation of approval, then you agree to cease purchasing products from the disapproved supplier and, in the case of revocation based on the failure of the supplier's products to meet our standards, you agree to dispose of your remaining inventory of the disapproved supplier's products as we direct.

8.5 Rebates. We may negotiate purchasing arrangements under which suppliers agree to make services, products, equipment, materials and other goods and services available to GoJoe Patrol Businesses. Subject to applicable law, we may earn money from the suppliers based on your purchases in the form of rebates, commissions, or other payments. You acknowledge that these payments compensate us for the cost of negotiating and maintaining the purchasing arrangements with the suppliers and that, subject to applicable laws, we have no obligation to remit the funds (or any portion thereof) to you.

8.6 No Other Sales Channels. You may not engage in any grey marketing activities where you take advantage of purchasing arrangements for GoJoe Patrol Businesses and transfer products to any other business not operating under the System. Unless expressly authorized by us in writing, you may not sell services or products through any channel or facility other than to your Franchised Business customers. If we approve any one or more activities, then we will not be deemed to have given our approval or waived our right to approve or disapprove any other activities that you may later propose. We will consider the factors that we deem appropriate, which may include the period of time you have been operating the Franchised Business, your sales volume, whether you have met certain quality standards and other benchmarks, and other standards that we may determine are applicable.

8.7 Use of Office Location; Hours of Operation. You must use the Office Location solely for the operation of the Franchised Business, must keep the Franchised Business open and in normal operation for the minimum hours and days specified in the Manual and as permitted by applicable laws, and must refrain from using or permitting the use of the Office Location for any other purpose or activity at any time without first obtaining our prior written consent.

#### 8.8 Furnishings, Equipment, and Vehicles.

8.8.1 You must acquire and install at the Office Location and use in the operation of your Franchised Business, at your expense, such fixtures, furnishings, equipment, décor, and signs as we may reasonably direct from time to time. You must not install or permit to be installed on or about the Office

Location or use in the operation of the Franchised Business, without our prior written consent, any fixtures, furnishings, equipment, décor, signs, or other items not previously approved by us.

8.8.2 You must maintain the appearance and working condition of all vehicles in your fleet in compliance with our standards, operating, and maintenance requirements, which may include replacing vehicles over a certain age or mileage, with operational flaws, or with certain cosmetic damage. Any vehicle rotated out of your fleet must be fully de-identified in compliance with our standards.

#### 8.9 Condition of the Office.

8.9.1 You must constantly maintain the Office and all furniture, fixtures, equipment, vehicles, furnishings, floor coverings, interior and exterior signage, the building interior and exterior, interior and exterior lighting, and landscaping and parking lot surfaces, if applicable, in first-class condition and repair in accordance with the requirements of the System, including all ongoing necessary remodeling, redecorating, refurbishing and repairs. At your own expense, you must make such additions, alterations, repairs, and replacements as may be required for that purpose (but no others without our prior written consent). Upon our request, you must provide us with copies of any inspection report conducted by a third party. You may not make any material alterations to the Office that affect operations or the image of the System without our prior written approval. You acknowledge and agree that the requirements of this Section 8.9 are both reasonable and necessary to ensure continued public acceptance and patronage of GoJoe Patrol Businesses, to assist the Franchised Business to compete effectively in the marketplace for quality staff, services, and products, and to avoid deterioration or obsolescence of the operation of the Franchised Business.

8.9.2 Extensive structural changes, major remodeling and renovations, and substantial modifications to existing equipment and improvements to modernize and conform your Office to the image of the System for new GoJoe Patrol Businesses shall be required at our request (but not more often than once during the Initial Term of this Agreement). Within thirty (30) days after receipt of our written notice regarding the required remodel, you must prepare and complete drawings and plans for the required remodel. These drawings and plans must be submitted to, and their use approved by, us prior to the commencement of work. You must complete the required remodel within ninety (90) days after receipt of our written notice. If the costs of the required modifications exceed Thirty Thousand Dollars (\$30,000), then you will have six (6) months to complete the modifications. In the event we determine, in our sole discretion, that you cannot amortize the cost of the modifications over the remaining years of the Initial Term, we may agree to extend the Initial Term of this Agreement. Capital expenses necessary for the ongoing repair and maintenance of the Office, exterior and interior signage, furniture, equipment, paint and flooring are not subject to the expense and time limitations described in this Section 8.9.2.

#### 8.10 Inspections and Quality Assurance Programs.

8.10.1 You must permit us and our agents to enter the Office at any time during normal business hours to conduct inspections and to interview employees. We may also interview your customers and conduct inspections of the work performed for customers of the Franchised Business. You must cooperate with such inspections by rendering such assistance as our representatives may reasonably request. Upon receipt of notice from us or our agents, you must immediately take such steps as may be necessary to correct any deficiencies identified during any such inspection.

8.10.2 You must comply fully with our quality assurance program. The program may include inspections of your business operations, customer satisfaction surveys and brand reputation surveys, and employee satisfaction and perception surveys. You must pay any out-of-pocket costs that we incur to third parties to carry out quality assurance program activities at your Franchised Business. If you fail to achieve the minimum score prescribed in the Manual for a specific quality assurance category, then we may require you and/or your employees to complete additional training at your Office or a location that we designate, at your expense.

8.11 Compliance with Sound Business Practices. You will at all times operate the Franchised Business diligently and in a manner which is consistent with sound business practices. You will at all times maintain working capital and a net worth which is sufficient, in our opinion, to enable you to fulfill properly all of your responsibilities under this Agreement. You will timely pay all of your debts and obligations incurred in the operation of the Franchised Business as these debts and obligations become due. You will, in all dealings with us, our affiliates, your suppliers and customers, the public, and public officials, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You will refrain from any business practice which may harm GoJoe Patrol Businesses, the System or the Marks. You will cause your affiliates, employees, owners, representatives and agents to strictly comply with the provisions of this Agreement.

#### 8.12 Compliance with Laws and Taxes

8.12.1 You must operate the Franchised Business in full compliance with all applicable municipal, county, state and federal laws, rules, regulations and ordinances. You must obtain and maintain all required licenses and permits to operate the Franchised Business and you must require your staff members and security personnel to obtain and maintain all required licenses and certifications for their position. You have sole responsibility for all compliance regardless of any information or advice that we may provide.

8.12.2 You, on behalf of yourself and your owners, agree to comply with and/or to assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, you, on behalf of yourself and your owners, certify, represent, and warrant that none of your respective property or interests are "blocked" under any of the Anti-Terrorism Laws and that neither you nor any of your owners are in violation of any of the Anti-Terrorism Laws. You also agree not to knowingly hire or do business with (or continue to employ or do business with) any party who is blocked under any of the Anti-Terrorism Laws. The term "**Anti-Terrorism Laws**" means Executive Order 13224 issued by the President of the United States, as supplemented, the USA PATRIOT Act, and all other laws and regulations addressing or in any way relating to terrorist acts and/or acts of war.

8.12.3 You represent and agree that, on the date of this Agreement, you and your directors, officers, representatives, shareholders, parent entities, subsidiaries, affiliates, agents, and employees are, and shall remain for the duration of this Agreement, in compliance in all respects with the Foreign Corrupt Practices Act (the "**FCPA**"), as amended, and any applicable foreign counterpart thereto. You will not, for the duration of this Agreement, make any payment, offering, or promise to pay, or authorize the payment of, money or anything of value (a) in order to assist in obtaining or retaining business for or with, or directing business to, any foreign official, foreign political party, party official or candidate for foreign political office, (b) to a foreign official, foreign political party or party official or candidate for foreign political office, or (c) with the intent to induce the recipient to misuse his or her official position to direct business wrongfully to you or to any other person or entity, in violation of the FCPA.

8.12.4 You must promptly pay when due all taxes levied or assessed, including unemployment and sales taxes, and all accounts and other indebtedness incurred in the operation of the Franchised Business. In the event of any bona fide dispute as to your liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law, but in no event will you permit a tax sale or seizure by levy or execution or similar writ or warrant, or attachment by a creditor, to occur against the Franchised Business.

8.12.5 You must meet and maintain the highest safety standards and ratings applicable to the operation of the Franchised Business, and furnish to us, within two (2) days after receipt thereof, a copy of each and every governmental agency report. You must notify us by telephone within twenty-four (24) hours, and confirm in writing within two (2) days, after receiving notice of any investigation or violation concerning any zoning, health, licensing, or safety laws and regulations.

8.12.6 You must immediately notify us in writing of the commencement of any action, suit, or proceeding and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality that may adversely affect the operation or financial condition of the Franchised Business.

#### 8.13 Control During Crisis Situation

8.13.1 If an event occurs in the operation of the Franchised Business that has or reasonably may cause harm or injury to individuals or may damage the Marks, the System or our reputation (collectively "**Crisis Situation**"), you shall: (a) immediately contact appropriate emergency care providers to assist you in curing the harm or injury; and then (b) immediately inform us by telephone of the Crisis Situation. You must refrain from making any internal or external announcements (*i.e.*, no communication with the news media) regarding the Crisis Situation (unless otherwise directed by us or public health officials).

8.13.2 To the extent we deem appropriate, in our sole discretion, we or our designee may exclusively control the manner in which the Crisis Situation is handled by the parties, including conducting all communication with the news media, providing care for injured persons and/or requiring you to temporarily cease operating the Franchised Business. The parties acknowledge that, in directing the management of any Crisis Situation, we or our designee may engage the services of attorneys, experts, doctors, public relations firms and those other professionals as we deem appropriate. You and your employees shall cooperate fully with us or our designee in our efforts and activities in this regard and shall be bound by all further Crisis Situation procedures developed by us from time hereafter. Your indemnification obligation under Section 21.2 shall include all losses and expenses that may result from the exercise by us or our designee of the crisis management rights granted in this Section 8.13.

#### 8.14 Quality and Customer Service Standards

8.14.1 All services and products provided by the Franchised Business will be of high quality and will conform to our quality and customer service System standards. If we determine, in our sole discretion, that any of the items or services you have provided are not in conformance with applicable quality standards, then we may place you in default of this Agreement under Section 19 of this Agreement.

8.14.2 We may implement a communication system for customers to lodge their comments and complaints. If implemented, we will forward such comments and complaints to you for resolution. You must immediately resolve each and every customer complaint regarding the quality of services or products that you supply. When any customer complaint cannot be immediately resolved, you must use reasonable efforts to resolve the customer complaints as soon as practical and shall, whenever feasible, give the customer the benefit of the doubt. If we, in our sole discretion, determine that our intervention is necessary or desirable to protect the System or the goodwill associated with the System, or if we, in our sole discretion, believe that you have failed adequately to address or resolve any customer complaint, then we may, without your consent, resolve any complaint and charge you an amount sufficient to cover our reasonable costs and expenses in resolving the customer complaint, which amount you must pay to us immediately on demand.

8.15 Staffing. You agree to maintain a competent, conscientious, well-trained staff in numbers sufficient to promptly service customers in conformance with our System standards. You must obtain conduct a background check on any employee that will be providing security services. You must train your staff and supervise their quality of work to ensure that our System standards and customer service requirements are met and maintained at the highest level. You have sole responsibility for all employment decisions and functions of the Franchised Business, including those related to hiring, firing, training, wage and hour requirements, recordkeeping, supervision, and discipline of employees, despite any information or advice we may provide. You must comply with all state and local laws and regulations regarding your personnel including any required licenses and certifications. You agree to take such steps as are necessary to ensure that your employees develop and maintain excellent customer relations and comply with such dress code, cleanliness, and sanitation standards as we may prescribe in the Manual, or as may be required

under applicable law. You agree to buy any and all uniforms and protective equipment for your employees as we may require only from Authorized Suppliers.

#### 8.16 Technology Systems

8.16.1 We have the right to specify and/or require that certain brands, types, makes, and/or models of communications, computer and technology systems, and hardware to be used by, between, or among GoJoe Patrol Businesses, and in accordance with our standards, including: an office computer; smartphones for each vehicle; computer related equipment; communications devices; high speed internet service; printers; telephone, voice messaging, retrieval, and transmission systems; audio/visual equipment; and software systems that we specify in writing from time to time. You must maintain an electronic connection between your systems and our systems and provide us with all user IDs and passwords necessary for us to independently access files and other information stored on your systems; must use the systems in accordance with all policies and operational procedures we issue from time to time; must transmit data to us at the times we specify; must maintain your systems in good working order at all times; must promptly install upgrades, additions, changes, modifications, substitutions and/or replacements of hardware, software, data connectivity, electrical power, and other computer-related facilities as we direct, which upgrades shall not be required more often than once a year; and must ensure that your employees are adequately trained in the use of such systems and our related policies and procedures. You must not install any software to your systems that we have not authorized, including virus software and firewalls. You must bear all costs of installation, operation, maintenance and upgrade of your systems. We reserve the right to require you to engage us or a hardware maintenance and/or help desk support provider approved by us to maintain your systems.

8.16.2 We have the right, but not the obligation, to develop or have developed for us, or to designate, software programs that you must use in connection with your computer systems. You must install all such software, including any updates, supplements, modifications, or enhancements that we require. We and our suppliers may charge a reasonable software license fee for any software that you are required to use.

8.16.3 You agree to install and use all technology systems and software at your sole expense. You agree to pay us, our affiliates or our vendors any initial and ongoing fees in order to install and continue to use the required software, hardware, and other elements of your technology systems. Each party to this Agreement acknowledges and agrees that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, you agree that we will have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and you agree to comply with those reasonable new standards that we establish the same as if we periodically revised this Section 8.16 for that purpose.

8.17 Technology Fund. We have established the Technology Fund for the development and implementation of technology policies and procedures for the enhancement of the System and the prevention of technological stagnation or obsolescence. We administer the Technology Fund and have the right to direct all activities financed by the Technology Fund. You must contribute one-half percent (0.5%) of your monthly Gross Sales to the Technology Fund at the same time and in the same manner as your payment of the Royalty Fee. GoJoe Patrol Businesses operated by us and our affiliates also will contribute to the Technology Fund at the lowest rate specified for comparable franchisees. Nothing in this Agreement will be construed to create a trust or fiduciary relationship of any kind or nature whatsoever among the parties as it relates to the Technology Fund or our actions with respect thereto, including collection of payments, bookkeeping, and disbursement of monies from the Technology Fund. We assume no direct or indirect liability or obligation to you with respect to maintenance, direction, or administration of the Technology Fund. The Technology Fund may spend in any fiscal year more or less than the total Technology Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will prepare an annual, unaudited statement of Technology Fund collections and expenses within sixty (60) days after our fiscal year end and will provide a copy of the statement to all franchisees. We retain the final authority on all programs financed by the Technology Fund.

We have the right to change or dissolve the Technology Fund at any time. If we disband the Technology Fund, then we will spend all monies in the fund for technology program development and implementation purposes or distribute all unspent monies to contributors in proportion to their respective Technology Fund contributions during the preceding twelve (12) month period.

8.18 Payment Systems. You must participate in any electronic or mobile payment systems that we specify in the Manual. You must honor all credit, charge, courtesy or cash cards or other credit devices that we specify. You must comply with the then-current Payment Card Industry Data Security Standards (PCI/DSS) as those standards may be revised by the PCI Security Standards Council, LLC or successor organization. Among other things, you agree to implement the security requirements that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards. You must timely demonstrate compliance upon our reasonable request, which may include having an independent third party conduct a PCI/DSS audit.

8.19 Pricing Activities. You agree that (subject to applicable law) we may set reasonable restrictions on the maximum and minimum prices you may charge for the services and products offered and sold by the Franchised Business under this Agreement. With respect to the sale of all such services and products, you will have sole discretion as to the prices to be charged to customers; provided, however, that we will have the right to set maximum or minimum prices on such items to promote inter-brand competition. If we impose a maximum price on a particular product or service, then you may charge any price for that product or service, up to and including the maximum price we have set. If we impose a minimum price on a particular product or service, then you may charge any price for that product or service, down to and including the minimum price that we have set.

8.20 Compliance with Lease. If you occupy the Office Location under a Lease, then you must comply with all terms of the Lease and all other agreements affecting the operation of the Franchised Business. You must undertake best efforts to maintain a good working relationship with your landlord and must refrain from any activity which may jeopardize your right to remain in possession of, or to renew the Lease for, the Office Location.

8.21 Franchisee Advisory Council. We reserve the right to create a Franchisee Advisory Council (“FAC”). You will be required to participate in any communication programs developed by the FAC. You must participate, at your sole cost, in the FAC if you or one of your owners or employees is elected or appointed as a committee member. You may be required to pay a fee for, or contribute to, the FAC in an amount determined by the FAC.

## **9 MODIFICATIONS TO THE SYSTEM**

9.1 Ownership of the System. You acknowledge that we own all rights, title and interest in and to the System. You will not acquire any proprietary interest in the System. Your right to use the System is a license, derived solely under this Agreement. Any unauthorized use of the System by you will constitute a material breach of this Agreement.

9.2 System Changes. We, in our sole discretion, shall be entitled from time to time to change or modify the System, including modifications to the Manual, product and service offerings, required equipment, the signage, office requirements (including the trade dress, décor and color schemes), the presentation of the Marks, the adoption of new administrative forms and methods of reporting and of payment of any monies owed to us (including electronic means of reporting and payment) and the adoption and use of new or modified Marks or Proprietary Materials. You must accept and use any such changes or modifications in the System as if they were a part of the System at the time this Agreement was executed, and you will make such expenditures as the changes or modifications in the System may reasonably require.

9.3 Innovations. All products, services, concepts, methods, techniques, and/or new information relevant to your operation of the Franchised Business (together, “Innovations”), whether or not constituting protectable intellectual property, that you or your employees create, or that are created on your behalf, must

be promptly disclosed to us in writing. All such Innovations will be deemed to be our sole and exclusive property and works made-for-hire for us. You and each of your owners agree to promptly: (a) sign the assignment and/or other documents we request in order to implement this clause in order to evidence our ownership; (b) cause your employees and contractors to sign such assignment and/or such other documents as we may request for this purpose; and (c) assist us in securing intellectual property rights in such Innovations.

9.4 Variations. We have the right, in our sole discretion, to waive, defer or permit variations from the standards of the System or any applicable agreement for any franchisee or prospective franchisee based on the peculiarities of a particular business, customer base, density of population, business potential, trade area population or any other condition or circumstance. We have the right, in our sole discretion, to deny any such request we believe would not be in the best interests of the System.

## 10 MARKETING

10.1 Marketing Programs. You acknowledge the value of and the need to develop, enhance, and promote the System and the Marks. You also acknowledge the importance of the standardization of marketing programs to the furtherance of the goodwill and public image of the System and the Marks. This Section 10 describes our marketing, public relations and advertising programs, our right to modify these programs, and the manner in which the marketing and advertising funds are used from time to time.

10.2 Market Introduction Program. You must spend at least the minimum sum specified in Exhibit A to advertise and promote the Franchised Business for a six (6) month period beginning one (1) month prior to opening through five (5) months following the opening of the Franchised Business ("**Market Introduction Period**"). We will provide to you a recommended marketing and sales blitz plan template for the Market Introduction Period ("**Market Introduction and Sales Blitz Plan**") and approved marketing materials for the Franchised Business ("**Market Introduction Materials**"). You may modify the Market Introduction and Sales Blitz Plan and Market Introduction Materials to meet your local market needs. You must submit your Market Introduction and Sales Blitz Plan to us for our review and approval, including total expenditures, at least forty-five (45) days prior to implementation. You may not begin implementing the Market Introduction and Sales Blitz Plan without our prior written approval. If you fail to spend the amount identified in the Market Introduction and Sales Blitz Plan approved by us (which may exceed the minimum amount identified on Exhibit A) during the Market Introduction Period, you must spend the balance for Local Marketing as defined in Section 10.5. At our request, you must submit appropriate documentation to verify full compliance with your expenditure obligation under the Market Introduction and Sales Blitz Plan. During the Market Introduction Period, you must contribute to the Brand Fund as described in Section 10.4 below; however, your obligation to make Local Marketing expenditures pursuant to Section 10.5 below will not commence until after the expiration of the Market Introduction Period.

10.3 Marketing Contributions and Expenditures. During the Initial Term, you must (a) contribute to the Brand Fund pursuant Section 10.4, (b) make Local Marketing expenditures pursuant to Section 10.5; and (c) contribute to a Cooperative pursuant to Section 10.6 if a Cooperative has been established in the Designated Market Area ("**DMA**") in which your Territory is located. We have the right, in our sole discretion, to periodically recalculate and/or re-allocate the amount you contribute to the Brand Fund and/or any Cooperative, and/or the amount you spend for Local Marketing effective upon ninety (90) days' prior notice; however, we will not increase your total marketing contributions and expenditures above three percent (3%) of Gross Sales.

### 10.4 Brand Fund

10.4.1 We have the right to establish the Brand Fund for the enhancement, promotion and protection of the System and the Marks, and for the development of advertising, marketing, and public relations programs and materials as we deem appropriate. The Brand Fund will be used to: create and implement advertising and marketing, and creative, production and media placement; create, implement and/or maintain public relations and community involvement programs, materials and implementation;

develop and maintain the System website, digital and social media marketing programs; and search engine optimization.

10.4.2 We have the sole right to direct all advertising, media placement, marketing and public relations programs and activities financed by the Brand Fund, with final discretion over the strategic direction, creative concepts, materials and endorsements used and the geographic, market and media placement and allocation. You agree to participate in all advertising, marketing, promotional, research and public relations programs instituted by the Brand Fund. You must contribute two percent (2%) of your monthly Gross Sales to the Brand Fund. The Brand Fund contribution will be payable at the same time and in the same manner as your payment of the Royalty Fee. GoJoe Patrol Businesses operated by us and our affiliates also will contribute to the Brand Fund at the lowest rate specified for comparable franchisees. From time to time, we or our suppliers may deposit into the Brand Fund any rebates or similar allowances paid to us by our suppliers although we have no obligation to do so.

10.4.3 We may sell certain advertising materials, merchandise and premium items to you that are developed by the Brand Fund and the earnings from such sales will be deposited into the Brand Fund. The Brand Fund also may be used to pay the reasonable salaries and expenses of our and our affiliates' employees who work on advertising, marketing, public relations materials, programs, activities or promotions prepared, planned or undertaken on behalf of the Brand Fund and professional fees and administrative costs and overhead that we or our affiliates incur in activities reasonably related to the administration and activities of the Brand Fund (including accounting fees, legal fees, and interest on monies borrowed by the Brand Fund). We will not use the Brand Fund for anything whose sole purpose is the marketing of franchises, however, the System website, public relations activities, community involvement activities and other activities supported by the Brand Fund may contain information about franchising opportunities. We may seek the advice of GoJoe Patrol franchisees by formal or informal means with respect to the creative concepts and media used for programs financed by the Brand Fund.

10.4.4 You acknowledge that the Brand Fund and any earnings thereon will be used to maximize general public recognition, acceptance, and patronage of GoJoe Patrol Businesses, and that we are not obligated, in administering the Brand Fund, to make expenditures for you which are equivalent or proportional to your contribution, or to ensure that any particular franchisee benefits directly or pro rata from expenditures by the Brand Fund. Your failure to derive any such benefit will not serve as a basis for a reduction or elimination of your obligation to contribute to the Brand Fund. The failure (whether with or without our permission) of any other franchisee to make the appropriate amount of contributions to the Brand Fund will not release you from or reduce your obligation.

10.4.5 Nothing in this Agreement will be construed to create a trust or fiduciary relationship of any kind or nature whatsoever among the parties as it relates to the Brand Fund or our actions with respect thereto, including collection of payments, maintenance of the bank account, bookkeeping, and disbursement of monies from the Brand Fund. Except as expressly provided in this Section 10, we assume no direct or indirect liability or obligation to you with respect to maintenance, direction, or administration of the Brand Fund. The Brand Fund may spend in any fiscal year more or less than the total Brand Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will prepare an annual, unaudited statement of Brand Fund collections and expenses within sixty (60) days after our fiscal year end and will provide a copy of the statement to all franchisees. We retain the final authority on all programs financed by the Brand Fund. We have the right to change or dissolve the Brand Fund at any time. If we disband the Brand Fund, then we will spend all monies in the fund for advertising and/or promotional purposes or distribute all unspent monies to contributors in proportion to their respective Brand Fund contributions during the preceding twelve (12) month period.

## 10.5 Local Marketing

10.5.1 You must develop, on an annual basis, a Marketing Plan that we have approved for you, your Franchised Business, and your market area, which Marketing Plan you must submit to us for our approval not less than thirty (30) days before each anniversary of the date that you opened the

Franchised Business. You must comply with all requirements regarding the Marketing Plan, including the use of approved advertising and marketing materials and vendors, placement and purchase of advertising and marketing materials and media, search engine optimization activities, and compliance with all promotional recommendations. All advertising materials that you produce must bear the Marks in the form, color, location and manner that we prescribe. You must spend for advertising and marketing in your market area (“**Local Marketing**”) at least one percent (1%) of your annual Gross Sales. You must begin conducting Local Marketing after the expiration of the Market Introduction Period. Once your Franchised Business has been open for three (3) months, you must set up and maintain a business listing with our designated search engine using our authorized vendor and spend the certain minimum amounts as specified by us each month for key word search and search engine optimization services to increase traffic to your business listing. Within thirty (30) days after the end of each quarter, you agree to send to us, in the manner we prescribe, an accounting of your Local Marketing expenditures during the preceding quarter. If you fail to expend the required amount on an annual basis, then we may, at our option, require you to spend any deficiency on Local Marketing or contribute such amount to the Brand Fund within thirty (30) days after the close of our fiscal year.

10.5.2 Local Marketing expenditures include the following pre-approved expenditures: (a) amounts spent by you for advertising media, such as digital, print, radio, television and outdoor, banners, posters, direct mail, grassroots premiums, event invites, and, if not provided by us at our cost, the cost of producing approved materials necessary to participate in these media; (b) special (or promotional) offers pre-approved by us; and (c) local marketing and public relations agency fees. Local Marketing expenditures do not include amounts spent for items, in our reasonable judgment, deemed inappropriate for meeting the minimum advertising requirement, including Office signage, directory listings, personnel salaries or administrative costs, vehicles, and vehicle wraps (even though such vehicles may display the Marks). All Local Marketing must be approved by us pursuant to Section 10.7 below.

10.6 Regional Cooperatives. We have the right (but not the obligation) to establish regional marketing co-operatives (“**Cooperatives**”) that pool funds of GoJoe Patrol Businesses on an ongoing basis to jointly promote the Marks and the GoJoe Patrol Businesses of the Cooperative members. You must participate in each applicable joint marketing program, if established, and comply with the rules of the program. The following provisions apply to Cooperatives:

10.6.1 We have the right to designate any geographic area or set of common characteristics for purposes of establishing a Cooperative. If a Cooperative is applicable to your Franchised Business at the time the Franchised Business opens for business, you must join the Cooperative. If a Cooperative applicable to the Franchised Business is established during the Initial Term, then you must become a member and begin contributing no later than thirty (30) days after we authorize the Cooperative to begin operation. You will not have to contribute to more than one Cooperative for the same GoJoe Patrol Business at the same time. We (or our affiliates, as the case may be) will become a member of any Cooperative that is applicable to a GoJoe Patrol Business owned by us or our affiliates.

10.6.2 Each Cooperative will be organized for the exclusive purpose of developing, administering and executing advertising programs for the members of the Cooperative. Each Cooperative will adopt a written Cooperative agreement governing the organization and operation of the Cooperative, signed by each and every member, subject to our prior written approval. If the members of the Cooperative do not sign an agreement within a reasonable time, then you agree to sign our recommended form of Cooperative Agreement. We reserve the right to change the form of organization, governing documents, and manner of operation of any Cooperative, and you and the other members agree to implement any such change promptly after notice from us. No changes in the bylaws or other governing documents of a Cooperative may be made without our prior written consent. No advertising or promotional plans or materials may be used by a Cooperative or furnished to its members without our prior written approval pursuant to Section 10.7 below. We and our designated agents will have the right to examine and copy, at our expense, on reasonable notice and during normal business hours, the books, records, and accounts of any Cooperative. We will also have the right, at any time, to have an independent audit made of the books of any Cooperative.

10.6.3 If established, you and each other member of the Cooperative must contribute monthly to the Cooperative up to one percent (1%) of the Gross Sales of the Franchised Business which amount will result in a corresponding percentage reduction in your Local Marketing obligation.

10.6.4 We may grant to any franchisee an exemption for any length of time from the requirement of membership in a Cooperative and/or from the obligation to contribute (including a reduction, deferral or waiver of the contribution), upon written request of the franchisee stating reasons which we deem sufficient to support the exemption in our sole discretion. Our decision concerning any request for exemption will be final. If an exemption is granted to a franchisee, then the franchisee will be required to spend on Local Marketing the amount the franchisee otherwise would have been required to contribute to the Cooperative.

10.7 Approval Requirement. All advertising and promotion by you and by any Cooperative must be in the type of media and format that we expressly approve in writing, must be conducted in a dignified manner, and must conform to our standards and requirements. You or the Cooperative must submit written samples of all proposed advertising and promotional plans and materials to us for our prior written approval at least ten (10) business days before their intended use, unless the plans and materials were prepared by us or have been approved by us within the last twelve (12) months. Proposed advertising plans or materials will be deemed to have been rejected if we have not approved them in writing within ten (10) business days after receipt. We reserve the right to require you to discontinue the use of any advertising or marketing material that we previously approved immediately (or as otherwise directed by us) upon written notice to you.

#### 10.8 Electronic Marketing and Electronic Communications.

10.8.1 We will host and maintain an independent webpage for the Franchised Business at an internet address that we specify. We will provide and maintain this webpage using a standard template. You agree to use an e-mail address that we assign to you for official GoJoe Patrol Business (and pay all fees associated with maintaining additional e-mail addresses if you request and we assign more than one e-mail address to you) if we assign such an address to you (or to one or more of your employees), and to use that e-mail address in the manner and for the purposes that we reasonably require in the Manual or otherwise in writing. Unless we have agreed to it in writing, you may not use, register, maintain, or sponsor any URL, social networking platform, blog, messaging system, email account, user name, text address, mobile application, or other electronic, mobile or internet presence that uses or displays any of the Marks (or any derivative thereof) or that promotes any services or products of the Franchised Business. You acknowledge that the use of any electronic medium constitutes advertising and promotion subject to our approval under Section 10.7. You agree not to transmit, or cause any other party to transmit, advertisements or solicitations by broadcast media, telephone, e-mail, text message, instant message, social network, VOIP, streaming media, or other electronic media that currently exists or may exist in the future without first obtaining our prior written consent as to: (a) the content of the advertisements or solicitations; and (b) the type of media intended to be used. You must comply with our policies for use of all social media and search engine optimization activities and you must comply with all applicable laws regarding the use of email and Internet advertising including the CAN-SPAM Act of 2003. All telephone answering messages, email auto-signatures, and other identifiers of the Franchised Business must be in the form we prescribe. If we approve the use of an electronic medium, then our approval will be conditioned on your compliance with any standards and procedures we issue with respect to that type of electronic medium, including the use of any disclaimers, warnings, and other statements that we may prescribe.

10.8.2 You shall comply with our standards for the System, as set forth in the Manual or otherwise, with regard to our authorization to use, and the use of, blogs, common social networks (including Facebook and Instagram), professional networks (including LinkedIn), live blogging tools (including Twitter), virtual worlds, file, audio and video sharing sites and other similar social networking media or tools that in any way reference the Marks or involve the System or the Franchised Business.

## 11 INSURANCE

11.1 Procurement of Insurance. You shall be responsible for all loss or damage arising from or related to your development and operation of the Franchised Business, and for all demands or claims with respect to any loss, liability, personal injury, death, property damage, or expense whatsoever occurring upon the premises of, or in connection with the development or operation of, the Franchised Business. You must maintain in full force and effect throughout the term of this Agreement that insurance which you determine is necessary or appropriate for liabilities caused by or occurring in connection with the development or operation of the Franchised Business which shall include, at a minimum, insurance policies of the kinds, and in the amounts, required by Section 11.2 and the Manual. We, and any entity with an insurable interest designated by us, shall be an additional insured in all liability policies (except workers compensation) to the extent each has an insurable interest.

11.2 Minimum Insurance Requirements. All insurance policies shall be written and maintained by an insurance company or companies satisfactory to us, in compliance with the standards, specifications, coverages and limits set forth in the Manual or otherwise provided to you in writing. We may reasonably increase the minimum required coverage and require different or additional kinds of insurance to reflect inflation, changes in standards of liability, higher damage awards or other relevant changes in circumstances and such changes will be identified in the Manual. We will notify you in writing of such modifications and you agree to secure and maintain the additional coverage or higher policy limits within thirty (30) days. In any event, these policies shall include, at a minimum, the types and levels of coverage that are included in Exhibit A.

11.3 General Insurance Requirements. The following general requirements shall apply to each insurance policy that you are required to maintain under this Agreement:

11.3.1 Each insurance policy shall be specifically endorsed to provide that the coverages shall be primary and that any insurance carried by any additional insured shall be excess and non-contributory. The applicable limits of each insurance policy shall be exhausted before any benefits (defense or indemnity) may be obtained under any other insurance (including self-insurance) providing coverage to us. The workers compensation policy shall include a waiver of subrogation in favor of us. In the event payments are required to be made under our own insurance policies or self-insurance (whether for defense or indemnity) before the applicable coverage limits for the insurance policies obtained by you are exhausted, you agree to reimburse, hold harmless and indemnify us and our insurers for such payments;

11.3.2 No insurance policy shall contain a provision that in any way limits or reduces coverage for you in the event of a claim by us or our affiliates;

11.3.3 Each insurance policy shall extend to, and provide indemnity for, all of your obligations and liabilities to third parties and all other items for which you are required to indemnify us under this Agreement; and

11.3.4 Each insurance policy shall be written by an insurance company that has received and maintains an "A+" or better rating by the latest edition of A.M. Best's Insurance Rating Service.

11.4 Proof of Insurance. No later than thirty (30) days after the Effective Date of this Agreement, and on each policy renewal date thereafter, you must submit to us a certificate of insurance, or other evidence of satisfactory insurance as required by this Section 11 and proof of payment therefor. The evidence of insurance shall include a statement by the insurer that the policy or policies will not be canceled or materially altered without at least ten (10) days' prior written notice to us. Within ten (10) days of our request, you also shall provide copies of any policies and policy amendments and riders to us.

11.5 No Representations. You acknowledge and agree that no requirement for insurance contained in this Agreement constitutes advice or a representation by us that only such policies, in such amounts, are necessary or adequate to protect you from losses in connection with the Franchised Business.

Maintenance of this insurance, and the performance by you of your obligations under this Section 11, shall not relieve you of liability under the indemnification provisions of this Agreement.

11.6 Procurement of Insurance by Us. Should you, for any reason, fail to procure or maintain at least the insurance required by this Section 11, as revised from time to time pursuant to the Manual or otherwise in writing, we shall have the immediate right and authority, but not the obligation, to procure such insurance and charge its cost to you. You must reimburse us for all out-of-pocket costs incurred by us in obtaining such insurance on your behalf in the manner set forth in Section 4 within ten (10) days after your receipt of our invoice.

## **12 ACCOUNTING AND RECORDS**

12.1 Books and Records. You must prepare, maintain, and preserve for at least seven (7) years from the dates of their preparation, complete and accurate books, records, and accounts, in accordance with generally accepted accounting principles, which may include a prescribed chart of accounts and/or use of a designated accounting program or platform. You must record all sales, sales tax, and any other charges collected on behalf of third parties in accordance with the procedures prescribed in the Manual.

12.2 Reports. You must submit to us, at your expense, in the form we prescribe:

12.2.1 Within five (5) days after the end of each month, a statement of operating performance of the Franchised Business including a complete and accurate report of total revenue and other revenue and information as specified in the Manual;

12.2.2 Within thirty (30) days after the end of each of your fiscal quarters, comparative interim unaudited income statements and balance sheets;

12.2.3 Within ninety (90) days after the end of each of your fiscal years, an income statement showing the results of your operations during such fiscal year and a balance sheet as of the end of such fiscal year, both of which must be prepared in accordance with generally accepted accounting principles and reviewed by an independent certified public accountant. If, however, the foregoing income statements and balance sheets are audited by an independent certified public accountant, then you must furnish the audited income statements and balance sheets rather than the reviewed income statements and balance sheets; and

12.2.4 Within fifteen (15) days after each filing, a copy of the federal tax return for the Franchised Business.

12.3 Right to Examine or Audit. We and our designated agents will have the right to examine and copy, at our expense, on reasonable notice and during normal business hours, your books, records, accounts, and sales tax returns, whether located at your Office or another venue. We will also have the right, at any time, to have an independent audit made of your books. If an inspection or audit reveals that any payment to us has been understated, you must immediately pay to us the amount owed, together with applicable interest as provided in Section 4.9. If an inspection or audit reveals an understatement of the Gross Sales of the Franchised Business of two percent (2%) or more, then you must, in addition to the payment of all monies owed with interest, reimburse us for all costs connected with the inspection or audit (including expenses for travel, lodging and wages, and reasonable accounting and legal costs). If our examination reveals an understatement of the Gross Sales of the Franchised Business for any period by two percent (2%) or more three (3) or more times during any thirty-six (36) month period, or by more than five percent (5%) on any one occasion, then, in addition to your obligations to pay the amounts owed with interest plus reimbursement as referenced above, we may immediately terminate this Agreement. The foregoing remedies are in addition to any other remedies we may have.

## 12.4 Data and Privacy

12.4.1 We may periodically specify in the Manual or otherwise in writing the information that you will collect and maintain on your technology systems and you will provide to us such reports as we may reasonably request from the data so collected and maintained. You agree that all data that you collect from customers, suppliers or others in connection with the Franchised Business shall be lawfully collected and maintained, including names, addresses, email addresses, phone numbers, birth dates, demographic data, behavioral data, customer service history, correspondence and other data that you create and/or collect in connection with the System, or in connection with your operation of the Franchised Business and that said data is and will be owned exclusively by us. We hereby license use of such data back to you, at no additional cost, solely for the term of this Agreement for your use, and solely for the purpose of managing the Franchised Business. We reserve the right to use or transfer this data as we deem appropriate and to provide the information to our affiliates. You must, at your expense, transfer copies and/or originals of all data that we specify in the Manual or upon our request. You may not use any such data for activities not related to the Franchised Business without our prior written approval. You may not sell or transfer any customer data to any third party other than us and our affiliates. However, if you transfer the Franchised Business (as provided in Section 16 below), as part of the transfer, then you must also transfer use of the customer data, customer contracts, and related data to the buyer as part of the total purchase price paid for the Franchised Business. You must make a final transfer of all data that we request to us at the termination or expiration of this Agreement and you may not retain any such data.

12.4.2 In connection with any use of data in the Franchised Business, you agree to comply with all applicable laws pertaining to the privacy of customer, employee, and transactional information ("**Privacy Laws**"). You also agree to comply with our standards and policies pertaining to Privacy Laws. If there is a conflict between our standards and policies pertaining to Privacy Laws and actual applicable law, then you will: (a) comply with the requirements of applicable law; (b) immediately give us written notice of said conflict; and (c) promptly and fully cooperate with us and our counsel in determining the most effective way, if any, to meet our standards and policies pertaining to Privacy Laws within the bounds of applicable law. You agree not to publish, disseminate, implement, revise, or rescind a data privacy policy without our prior written consent with respect to such policy.

12.5 Public Filings. If you are or become a publicly-held entity in accordance with other provisions of this Agreement, then you must send to us copies of all reports (including responses to comment letters) or schedules that you may file with the U.S. Securities and Exchange Commission (certified by your chief executive officer to be true, correct, complete and accurate) and copies of any press releases you may issue within three (3) days of the filing of each report and/or schedules or the issuance of each release. If you request information from us to compile your reports, then you must reimburse us for our costs and expenses in preparing such reports.

## 13 **MARKS AND THE PROPRIETARY MATERIALS**

13.1 Our Representations. We represent to you that we and our affiliates own (or have an appropriate license to) all right, title, and interest in and to the Marks, and that we have taken (and will take) all steps reasonably necessary to preserve and protect the ownership and validity in, and of, the Marks.

13.2 Identification of the Franchised Business. You must operate, advertise, and promote the Franchised Business only under the Marks. In conjunction with any use of the Marks, including on all customer contracts, checks and negotiable instruments, invoices, letterhead, email signature blocks and other electronic media, stationery, order forms, and business cards you must identify yourself to the public as an independent franchisee operating under the authority of this Agreement. You also must post a notice of your status as a franchisee at a conspicuous location at the Office Location.

13.3 Proprietary Materials. You acknowledge and agree that we and/or our affiliates are the owners of the Proprietary Materials and that the copyrights in the Proprietary Materials are valuable property. We authorize you to use the Proprietary Materials on the condition that you comply with all of the terms and conditions of this Agreement, including this Section 13. You acknowledge and agree that we

may create, acquire or obtain licenses for certain additional copyrights in various works of authorship used in connection with the operation of a GoJoe Patrol Business, including all categories of works eligible for protection under the United States copyright law, all of which will be deemed to be part of the Proprietary Materials. The Proprietary Materials include the Manual, advertisements, promotional materials, labels, posters, coupons, gift certificates and gift cards, customer contracts, vehicle wraps, signs, websites, and office designs, plans and specifications. The Proprietary Materials may incorporate all or part of the Marks or other trade dress used as part of the System. You acknowledge that this Agreement does not confer any interest in the Proprietary Materials on you, other than the right to use the Proprietary Materials in the operation of the Franchised Business in compliance with the terms of this Agreement. If you prepare any adaptation, translation or work derived from the Proprietary Materials, including advertisements, promotional materials, labels, posters, or websites, whether or not such adaptation was authorized by us, then you agree that such material will be our property and you hereby assign all your right, title and interest therein to us (or to a third party designated by us). You agree to execute any documents, in recordable form, which we deem necessary to reflect or perfect such ownership. You must submit all such adaptation, translation or derivative works to us for our written approval prior to use.

13.4 Limitations on Use. Your right to use the Marks and the Proprietary Materials is limited to the uses we authorize under this Agreement and any unauthorized use will constitute an infringement of our rights. Therefore, you agree to:

13.4.1 Use only the Marks and the Proprietary Materials that we designate and use them only in the manner we authorize;

13.4.2 Use the Marks and Proprietary Materials only for the operation of the Franchised Business and only in the Territory or in advertising for the Franchised Business;

13.4.3 Operate and advertise the Franchised Business only under the name "GoJoe Patrol" and use all Marks without prefix or suffix;

13.4.4 Refrain from using the Marks as part of your corporate or legal name;

13.4.5 Ensure that all advertising and promotional materials, packaging, signs, decorations, websites, and other items that we may specify, bear the Marks in the form, color, size, and location we prescribe;

13.4.6 Not use the Marks to incur any obligation or indebtedness on behalf of us or our affiliates;

13.4.7 Not use the Marks on any human resources materials including policies, forms, paychecks, and manuals;

13.4.8 Comply with our instructions in filing and maintaining any requisite trade name or fictitious name registrations, and execute any documents we deem necessary to obtain protection for the Marks and the Proprietary Materials or to maintain their continued validity and enforceability;

13.4.9 Not directly or indirectly contest the validity of, or take any other action which tends to jeopardize our or our affiliates' rights to the ownership of or right to use and to license others to use the Marks or the Proprietary Materials; and

13.4.10 Ensure that the Marks and the Proprietary Materials bear the "®", "™", "SM" or © notice, respectively, as we may prescribe from time to time.

13.5 Acknowledgments. You acknowledge that:

13.5.1 The Marks and the Proprietary Materials are valid and serve to identify the System and those who are authorized to operate under the System;

13.5.2 Your use of the Marks and Proprietary Materials pursuant to this Agreement does not give you any ownership interest or other interest in the Marks or the Proprietary Materials;

13.5.3 Any and all goodwill arising from your use of the Marks and the Proprietary Materials will inure exclusively to our benefit and to the benefit of our affiliates, and upon expiration or termination of this Agreement, no monetary amount will be assigned as attributable to any goodwill associated with your use of the System, the Marks, or the Proprietary Materials; and

13.5.4 The license granted under this Agreement to use the Marks and the Proprietary Materials is nonexclusive.

13.6 Changes to the Marks and the Proprietary Materials. We reserve the right to modify or require you to discontinue use of any of the Marks or the Proprietary Materials and/or to substitute different service marks, trademarks or copyrighted material for use in identifying the System and the Franchised Businesses operating under the System. When required by us, you must promptly discontinue use of designated Marks or Proprietary Materials or implement any modification or substitution at your own cost and expense. We will have no obligation or liability to you as a result of such modification or substitution.

13.7 Third Party Challenges. You must promptly notify us of any unauthorized use or reproduction of the Marks or the Proprietary Materials, any challenge to the validity of the Marks or the Proprietary Materials, the ownership by us and our affiliates of the Marks and the Proprietary Materials, our right to use and to license others to use the Marks and the Proprietary Materials, or your right to use the Marks or Proprietary Materials. You acknowledge that we and our affiliates have the right to direct and control any administrative proceeding or litigation involving the Marks or Proprietary Materials, including any settlement thereof. We and our affiliates have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Marks or Proprietary Materials. We will defend you against any third-party claim that your use of the Marks or the Proprietary Materials infringes the rights of the third party. We will bear the cost of defense (including the cost of any judgment or settlement) if you have used the Marks and the Proprietary Materials in accordance with the terms of this Agreement, but otherwise you must bear the cost of the defense (including the cost of any judgment or settlement). You must execute any and all documents and do such acts as we deem necessary to carry out the defense or prosecution of any litigation involving the Marks or the Proprietary Materials, including becoming a nominal party to any legal action.

## **14 YOUR ORGANIZATION AND MANAGEMENT**

### **14.1 Your Organization**

14.1.1 If you are a legal entity such as a corporation, a limited liability company or a partnership, you make the following representations and warranties: (a) you are duly organized and validly existing under the laws of the state of your formation; (b) you are qualified to do business in the state or states in which the Office and the Territory are located; (c) execution of this Agreement and the development and operation of the Franchised Business is permitted by your governing documents; and (d) unless waived in writing by us, your Articles of Incorporation, Articles of Organization or written partnership agreement shall at all times provide that your activities are limited exclusively to the development and operation of GoJoe Patrol Businesses.

14.1.2 If you are an individual, or a partnership comprised solely of individuals, you make the following additional representations and warranties: (a) each individual has executed this Agreement; (b) each individual shall be jointly and severally bound by, and personally liable for the timely and complete performance and a breach of, each and every provision of this Agreement; and (c) notwithstanding any transfer to a business entity, each individual shall continue to be jointly and severally bound by, and

personally liable for the timely and complete performance and breach of, each and every provision of this Agreement.

14.2 Ownership Interests and Continuity Group. If you are a business entity, all interests in you are owned as set forth in attached Exhibit B. You must comply with Section 16 prior to any change in ownership interests and must sign addenda to Exhibit B as changes occur in order to ensure the information contained in Exhibit B is true, accurate and complete at all times. Exhibit B also lists those persons who comprise your “**Continuity Group**.” The parties acknowledge and agree that it is their intent that the members of the Continuity Group include (a) all holders of a legal or beneficial interest of five percent (5%) or more (“**5% Owners**”) in your entity; (b) if you are a limited partnership, all 5% Owners of your general partner; and (c) all 5% Owners of a corporation or limited liability company that owns a controlling interest in your entity. In the event of any change in the Continuity Group or in the ownership interests of any member of the Continuity Group, you must sign addenda to Exhibit B to reflect the change. If you are a corporation, the Continuity Group shall at all times own at least sixty-six percent (66%) of your voting securities; if you are a limited liability company, the Continuity Group shall at all times own at least sixty-six percent (66%) of your membership interests; and if you are any other type of business entity, the Continuity Group shall at all times have at least a sixty-six percent (66%) interest in your operating profits and losses and hold at least sixty-six percent (66%) of your ownership interests.

14.3 Governing Documents. Upon request by us, you shall promptly deliver to us, as applicable, true and complete copies of the articles or certificate of incorporation, partnership agreement, bylaws, subscription agreements, buy-sell agreements, voting trust agreements and all other documents relating to your ownership, organization, capitalization, management and control and all amendments thereto. When any of these governing documents are modified or changed, you promptly shall provide copies to us. If you are a corporation, then you shall maintain stop-transfer instructions against the transfer on the records of any voting securities, and each stock certificate of the corporation shall have conspicuously endorsed upon its face the following statement: “Any assignment or transfer of this stock is subject to the restrictions imposed on assignment by the GoJoe Patrol Franchising, LLC Franchise Agreement(s) to which the corporation is a party.” If you are a publicly held corporation, then these requirements shall apply only to the stock owned by your Continuity Group. If you are a limited liability company, then each membership or management certificate shall have conspicuously endorsed upon its face the following statement: “Any assignment or transfer of an interest in this limited liability company is subject to the restrictions imposed on assignment by the GoJoe Patrol Franchising, LLC Franchise Agreement(s) to which the limited liability company is a party.” If you are a partnership, then your written partnership agreement shall provide that ownership of an interest in the partnership is held, and that further assignment or transfer thereof, is subject to all restrictions imposed on assignment by this Agreement.

#### 14.4 Guarantee of Performance

14.4.1 All members of the Continuity Group, your 5% Owners, and each of their spouses, if applicable, shall jointly and severally personally guarantee your payment and performance under this Agreement and personally bind themselves to the terms of this Agreement pursuant to the Guarantee, Indemnification and Acknowledgement (“**Guarantee**”) attached as Exhibit C. Unless you are a publicly-held entity, all of your officers, directors, limited liability company managers and their spouses, if applicable, also shall jointly and severally guarantee your payment and performance under this Agreement and bind themselves to the terms of this Agreement pursuant to the attached Guarantee. Notwithstanding the foregoing, we reserve the right, in our sole discretion, to waive the requirement that some or all of the previously described individuals sign the attached Guarantee. We also reserve the right to require any guarantor to provide personal financial statements to us from time to time.

14.4.2 With respect to your 5% Owners, you acknowledge that, unless otherwise agreed to in writing by us, it is our intent to have individuals (and not corporations, limited liability companies or other entities) sign the Guarantee. Accordingly, if any 5% Owner is not an individual, then we shall have the right to require individuals who have only an indirect ownership interest in you to sign the Guarantee. (By way of example, if a 5% Owner is a corporation, then we have the right to require individuals who have an ownership interest in that corporation to sign the Guarantee.)

14.5 Operating Principal. If you use or form a company composed of more than one person to operate your GoJoe Patrol Business, then we require that you appoint an individual to serve as your Operating Principal. Sole proprietors may also appoint an Operating Principal to manage the Franchised Business on their behalf. We do not require that the Operating Principal have any ownership interests in your company. Your Operating Principal will be the person with whom we communicate and who will have the immediate and unconditional authority to bind you with respect to all financial, operational and legal matters related to the Franchised Business and this Agreement. Your Operating Principal is identified in Exhibit B, and must attend and successfully complete our training program to our satisfaction. If your Operating Principal ceases to qualify as an Operating Principal, then you must designate a replacement within thirty (30) days. Your replacement Operating Principal must successfully complete our training program within sixty (60) days of their appointment as your Operating Principal. Your designee to become the Operating Principal must satisfy the criteria set forth in this Section 14.5 and be approved by us in writing.

## 15 COVENANTS

### 15.1 Confidentiality

15.1.1 You acknowledge and agree that: (a) we own all right, title and interest in and to the System; (b) the System includes trade secrets and confidential and proprietary information and know-how that gives us a competitive advantage; (c) we have taken all measures appropriate to protect the trade secrets and the confidentiality of the proprietary information and know-how of the System; (d) all material or other information now or hereafter provided or disclosed to you regarding the System is disclosed in confidence; (e) you have no right to disclose any part of the System to anyone who is not your employee; (f) you will disclose to your employees only those parts of the System that an employee needs to know; (g) you will have a system in place to ensure that your employees keep confidential our trade secrets and confidential and proprietary information, and, if requested by us, you shall obtain from those of your employees designated by us an executed confidentiality and non-disclosure agreement in the form prescribed by us; (h) by entering into this Agreement, you do not acquire any ownership interest in the System; and (i) your use or duplication of the System or any part of the System in any other business, or disclosure of any part of the System to others for use or duplication in any other business, would constitute an unfair method of competition, for which we would be entitled to all legal and equitable remedies, including injunctive relief, without posting a bond.

15.1.2 You shall not, during the term of this Agreement or at any time thereafter, communicate or disclose any trade secrets or confidential or proprietary information or know-how of the System to any unauthorized person, or do or perform, directly or indirectly, any other acts injurious or prejudicial to any of the Marks or the System. Any and all information, knowledge, know-how and techniques, including all drawings, materials, equipment, specifications, methods, techniques and other data that we or our affiliates designate as confidential shall be deemed confidential for purposes of this Agreement.

### 15.2 Restrictions On Competition

15.2.1 You acknowledge and agree that: (a) pursuant to this Agreement, you will have access to valuable trade secrets, specialized training and other confidential information from us and/or our affiliates regarding the development and operation of GoJoe Patrol Businesses, security services, security personnel recruitment and retention, market and operations research, advertising and marketing plans and strategies, purchasing, sales and marketing methods and techniques owned by us and our affiliates; (b) the know-how regarding the System and the opportunities, associations and experience acquired by you pursuant to this Agreement are of substantial value; (c) in developing the System, we and our affiliates have made substantial investments of time, effort, and money; (d) we would be unable adequately to protect the System and its trade secrets and confidential and proprietary information against unauthorized use or disclosure and would be unable adequately to encourage a free exchange of ideas and information among operators of GoJoe Patrol Businesses if franchisees were permitted to engage in the activities described in this Section 15.2 or to hold interests in the businesses described in this Section 15.2; and (e) the restrictions

on your right to hold interests in, or perform services for, the businesses described in this Section 15.2 will not unduly limit your activities.

15.2.2 You covenant and agree that, except as we otherwise approve in writing, during the Initial Term, and for a continuous period of two (2) years following the expiration, transfer or termination of this Agreement, you will not, either directly or indirectly, for yourself or through, on behalf of, or in conjunction with any person or legal entity:

15.2.2.1 Own, maintain, operate, engage in, grant a franchise to, advise, help, make loans to, lease property to or have any interest in, either directly or indirectly, any business that offers security services (“**Competing Business**”). During the term of this Agreement, there is no geographical limitation on this restriction. Following the expiration, transfer or termination of this Agreement, this restriction shall apply to any Competing Business offering services to customers located: (a) within your Territory plus the area formed by extending the boundary of your Territory by ten (10) miles in any direction; or (b) within the territory assigned to any then-existing GoJoe Patrol Business, plus the area formed by extending the boundaries of that territory by ten (10) miles in all directions; or

15.2.2.2 Divert or attempt to divert any present or prospective business or customer to any Competing Business by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

15.3 Exception for Publicly Traded Stock. The restrictions contained in Section 15.2 will not apply to ownership of less than a five percent (5%) beneficial interest in the equity securities of any publicly-held corporation.

15.4 Owners and Employees. Your guarantors who sign the Guarantee attached to this Agreement as Exhibit C will agree to be bound personally by the provisions of this Section 15, provided that, as to them, the time period in Section 15.2 will run from the expiration, termination, or transfer of this Agreement or from the termination of the individual’s relationship with you, whichever occurs first. At our request, you must obtain signed agreements similar in substance to this Section 15 (including agreements applicable upon termination of a person’s relationship with you) from your Operating Principal, any individual who attends our training programs and your officers, directors, and owners. Each agreement required by this Section 15.4 must be in a form we approve and specifically identify us as a third party beneficiary with the independent right to enforce the agreement. Our current form of Non-disclosure and Non-competition Agreement is attached to this Agreement as Exhibit E. It is your responsibility to have this form reviewed and approved (or modified subject to our prior written approval) by an attorney licensed in your jurisdiction.

## 15.5 Enforcement

15.5.1 We have the right, in our sole discretion, to reduce the scope of any restriction in Section 15.2 by giving you written notice and you agree to comply with any covenant so modified, which shall be fully enforceable notwithstanding the provisions of Section 25.

15.5.2 You agree that the existence of any claims you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of this Section 15.

15.5.3 You acknowledge that your violation of the terms of this Section 15 would result in irreparable injury to us for which no adequate remedy at law may be available, and you accordingly consent to the issuance of an injunction prohibiting any conduct by you in violation of the terms of this Section 15. Injunctive relief will be in addition to any other remedies we may have.

15.5.4 If you or any other person bound by this Section 15 fails or refuses to abide by any of the foregoing restrictions on competition, and we obtain enforcement in any legal proceeding, the

obligations under the breached restriction will continue in effect for a period ending two (2) years after the date the person begins to comply with the order enforcing the restriction.

## 16 TRANSFER

16.1 By Us. We have the right to transfer or assign this Agreement or any part of our rights or obligations under this Agreement to any person or legal entity. You agree that we will have no liability after the effective date of the transfer or assignment for the performance of any obligations under this Agreement. You acknowledge that we can sell our assets; sell securities in a public offering or in a private placement; merge with, acquire, or be acquired by another company; or undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring, without restriction and without affecting your obligations under this Agreement.

16.2 By You. You acknowledge that the rights and duties set forth in this Agreement are personal to you and that we have granted these rights in reliance on your business skill, financial capacity, and personal character (or, if you are a business entity, on the business skill, financial capacity, and personal character of your owners and management). Accordingly, neither you nor any immediate or remote successor to any interest in this Agreement, nor any individual, partnership, corporation, or other legal entity which directly or indirectly owns any interest in you, will sell, assign, transfer, convey, pledge, encumber or give away any direct or indirect interest in this Agreement, in you, or in substantially all of the assets of the Franchised Business without our prior written consent, which will not be unreasonably withheld. You must provide written notice to us ("**Transfer Notice**") of any proposed transfer ("**Proposed Transfer**") at least ninety (90) days before the Proposed Transfer is to take place, which must include all information and documentation relating to the terms of the Proposed Transfer and any other information and/or documents that we reasonably request. Notwithstanding the foregoing, you may grant a security interest in, or otherwise encumber certain assets of the Franchised Business, excluding the Franchise Agreement, in connection with obtaining financing for the development and/or operation of the Franchised Business or equipment leasing, if such financing satisfies our requirements, which may include execution of agreements by us, you and your owners and your secured creditor, in a form satisfactory to us, acknowledging such creditor's obligations to be bound by the terms of this Section 16.

16.3 Our Right of First Refusal. We have the right, exercisable within forty-five (45) days after our receipt of your Transfer Notice (other than a Proposed Transfer to Immediate Family Members of your owners who meet our operational and financial criteria for new franchisees), to purchase the interest proposed to be transferred. The Transfer Notice must include a true and complete copy of the term sheet, letter of intent, proposed purchase agreement, assignment document, or any other document necessary to implement the Proposed Transfer, and the Proposed Transfer must not be subject to financing or any other contingencies. Our forty-five (45) day period for determining whether or not to exercise our right of first refusal will not begin until the transferor has provided all information and documentation that we require in a form and substance satisfactory to us and we provide written notice to you that this requirement has been satisfied. We may assign this right of first refusal to an affiliate or a third party, including to another franchisee, in our sole discretion. If we desire to exercise our right of first refusal, then we will do so by providing written notice (the "**Purchase Notice**") to the transferor, as follows:

16.3.1 If the Proposed Transfer is to be made pursuant to a sale, we may purchase the interest proposed to be transferred on the same financial terms and conditions offered by the third party ("**Offeror**"). Closing on our purchase will occur within sixty (60) days after the date of the transferor's receipt of the Purchase Notice. However, if the consideration, terms, and/or conditions offered by the Offeror are such that we may not reasonably be required to furnish the same consideration, terms, and/or conditions, then we may purchase the interest proposed to be sold for the reasonable equivalent in cash ("**Cash Equivalent**"). If, within thirty (30) days of the transferor's receipt of the Purchase Notice, the parties cannot agree as to the Cash Equivalent, an independent appraiser will be appointed by mutual agreement, who will determine the Cash Equivalent, at our expense. If the parties cannot agree on an independent appraiser within fifteen (15) days, then each party will select an independent appraiser within the following three (3) days and those two (2) appraisers will mutually select a third independent appraiser and each of the three (3) independent appraisers will submit their written determination of the Cash Equivalent, and their

collective appraisal fees and costs will be divided evenly between the parties. The Cash Equivalent determination of the appraiser, or of the three (3) appraiser panel, as the case may be, will be binding. We may purchase the interest proposed to be transferred at the Cash Equivalent determined by the appraiser if one (1) appraiser is used or the mean value if three (3) appraisers are used. Closing on the purchase will occur within thirty (30) days after our written notice to the transferor of the appraiser's, or appraisers, as the case may be, determination of the Cash Equivalent.

16.3.2 If the Proposed Transfer is to be made by gift, we may purchase the interest proposed to be transferred to the gift recipient ("**Gift**ee") for its fair market value in cash ("**Gift Value**"). If, within thirty (30) days of the transferor's receipt of the Purchase Notice, the parties cannot agree as to the Gift Value, an independent appraiser will be appointed by mutual agreement, who will determine the Gift Value, at our expense. If the parties cannot agree on an independent appraiser within fifteen (15) days thereafter, then each party will select an independent appraiser within the following three (3) days and those two (2) appraisers will mutually select a third independent appraiser and each of the three (3) independent appraisers will submit their written determination of the Gift Value, and their collective appraisal fees and costs will be divided evenly between the parties. The Gift Value determination of the appraiser, or of the three (3) appraiser panel, as the case may be, will be binding. We may purchase the interest proposed to be transferred at the Gift Value determined by the appraiser if one (1) appraiser is used or the mean value if three (3) appraisers are used. Closing on the purchase will occur within thirty (30) days after our written notice to the transferor of the appraiser's, or appraisers', as the case may be, determination of the Gift Value.

16.3.3 Our failure to exercise our right of first refusal shall not constitute approval of the Proposed Transfer nor shall it constitute a waiver of any other provision of this Section 16 with respect to a Proposed Transfer. If we do not exercise our right of first refusal, then you or your owners may complete the transfer to such Offeror or Gift~~ee~~ pursuant to and on the exact terms of the Transfer Notice, subject to our consent to the Proposed Transfer as provided in Section 16.2, and provided further that the transfer to the Offeror or Gift~~ee~~ is completed within sixty (60) days after receipt of our written notice of our decision not to exercise our right of first refusal.

16.3.4 Any material change in the terms of a Proposed Transfer will constitute a new Proposed Transfer pursuant to this Section 16.3 and is subject to the same rights of first refusal by us as in the case of a Proposed Transfer initially submitted to us. Any failure to complete the Proposed Transfer within sixty (60) days after receipt of our express, written notice of our decision not to exercise our right of first refusal shall be considered a material change in the terms of the Proposed Transfer.

16.4 Conditions of Our Consent. If we elect not to exercise our right of first refusal under Section 16.3, then the proposed transferor may complete the transfer after obtaining our written consent as required under Section 16.2. We may withhold our consent on any reasonable grounds, or may give our consent subject to reasonable conditions, which may include the following:

16.4.1 That all of your accrued monetary obligations to us and our affiliates (whether arising under this Agreement or otherwise) and all other outstanding obligations related to the Franchised Business (including bills from suppliers, taxes, judgments and any required governmental reports, returns, affidavits or bonds) have been satisfied or, in our reasonable judgment, adequately provided for. We reserve the right to require that a reasonable sum of money be placed in escrow to ensure that all of these obligations are satisfied;

16.4.2 That you are not then in material default of any provision of this Agreement or any other agreement between you and us or our affiliates, are in good standing as a franchisee with us and our affiliates, are not in default beyond the applicable cure period under any real estate lease, equipment lease or financing instrument relating to the Franchised Business and are not in default beyond the applicable cure period with any Authorized Supplier to the Franchised Business;

16.4.3 That the sales price shall not be so high, in our reasonable judgment, as to jeopardize the ability of the transferee to develop, maintain, operate and promote the Franchised Business

and meet financial obligations to us, third party suppliers and creditors. Our decision with respect to a proposed transfer shall not create any liability on the part of us: (a) to the transferee, if we approve the transfer and the transferee experiences financial difficulties; or (b) to the transferor or the proposed transferee, if we reject the transfer pursuant to this Section 16 or for other legitimate business purposes. We, without any liability to the transferor or the proposed transferee, have the right, in our sole discretion, to communicate and counsel with the transferor, you, and the proposed transferee regarding any aspect of the proposed transfer;

16.4.4 That the transferor executes a general release, in a form satisfactory to us, of any and all claims against us, our affiliates, and their respective past, present, and future officers, directors, shareholders, and employees, in their corporate and individual capacities;

16.4.5 That the transferee (and if the transferee is a corporation, partnership, or limited liability company, then such owners of a beneficial interest in the transferee as we may request) enter into a written assignment, in a form satisfactory to us, assuming and agreeing to discharge all of your obligations under this Agreement; or, at our option, enter into our then current form of Franchise Agreement; and, if the transferor guaranteed your obligations under this Agreement, that the transferee guarantee the performance of all such obligations in writing in a form satisfactory to us;

16.4.6 If the transferee is an existing GoJoe Patrol developer or franchisee, that the transferee is not in default under its agreements with us, its landlords, lenders and its Authorized Suppliers and has a good record of customer service and compliance with our operating standards;

16.4.7 That the transferee, whether or not an existing GoJoe Patrol developer or franchisee, demonstrates to our satisfaction that he or she meets (or, if the transferee is a business entity, that its owners and management team meet) our educational, managerial, and business standards; possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to conduct the business contemplated hereunder (as may be evidenced by prior related business experience or otherwise); has the ability to obtain a possessory interest in the Office Location; has the ability to obtain all required licenses and permits to operate the Franchised Business; and has adequate financial resources and capital to fulfill your obligations under this Agreement in a timely manner;

16.4.8 That you have corrected any existing deficiencies of the Franchised Business of which we have notified you, and/or the proposed transferee agrees to upgrade the Office, vehicles and equipment in accordance with our then-current requirements and specifications for GoJoe Patrol Businesses within the time period we specify following the effective date of the transfer (we will advise the proposed transferee before the effective date of the transfer of the specific actions that are required and the time period within which such actions must be taken);

16.4.9 That the transferor pays a transfer fee in the amount of Ten Thousand Dollars (\$10,000) or such greater amount as is required to reimburse us for our reasonable expenses associated with reviewing the application for transfer including legal and accounting fees; however, the transfer fee will be waived if the proposed transferee: (a) has been a franchisee of another GoJoe Patrol Business for at least three (3) years and is in good standing with us; (b) has managed a franchised or company-operated GoJoe Patrol Business for at least three (3) years; (c) is an Immediate Family Member of an owner that meets the criteria for a new franchisee; or (d) will own less than a twenty percent (20%) ownership interest in you, provided that after the transfer the Continuity Group retains at least a sixty-six percent (66%) ownership interest in you. If the transaction involves one or more GoJoe Patrol Businesses in addition to the Franchised Business franchised under this Agreement, then the transferor must also pay the transfer fee specified in the franchise agreement for each other GoJoe Patrol Business in the transaction; and

16.4.10 That the transferee's Operating Principal (who has not previously completed our training program) complete any training programs then in effect for new franchisees at a cost of Five Thousand Dollars (\$5,000) to be paid by the transferee.

16.5 Transfers to an Entity Wholly Owned by You. If you desire to transfer this Agreement to a corporation or limited liability wholly owned by you, where the ownership and management of the Franchised Business will not change, then the requirements of Section 16.2 shall apply to such a transfer; however, you will not be required to pay a transfer fee. Our consent also will be conditioned on the following: (a) the entity must be newly organized; (b) prior to the transfer, we must receive a copy of the documents specified in Section 16.2 and the transferee shall comply with the remaining provisions of Section 16; and (c) you must own all voting securities of the newly formed corporation (or membership interests of the newly formed limited liability company) or, if you are owned by more than one individual, each person shall have the same proportionate ownership interest in the corporation (or the limited liability company) as prior to the transfer.

16.6 Death, Incapacity or Bankruptcy. If you or any owner dies, becomes incapacitated, or enters bankruptcy proceedings, then that person's executor, administrator, personal representative, or trustee must apply to us in writing within three (3) months after the event (death, declaration of incapacity, or filing of a bankruptcy petition) for consent to transfer the person's interest. The transfer will be subject to the provisions of this Section 16, as applicable; however, you will not be required to pay a transfer fee. In addition, if the deceased or incapacitated person is the Operating Principal, then we will have the right (but no obligation) to take over operation of the Franchised Business upon giving notice to the executor, administrator, personal representative, or trustee and to manage the Franchised Business until the transfer is completed. If we exercise this right, then we can charge a weekly management fee for our services equal to the greater of (a) two (2) times the weekly salary of your Operating Principal, or (b) ten percent (10%) of the weekly Gross Sales of the Franchised Business. For purposes of this section, "incapacity" means any physical or mental infirmity that will prevent the person from performing his or her obligations under this Agreement (a) for a period of thirty (30) or more consecutive days, or (b) for sixty (60) or more total days during a calendar year. In the case of transfer by bequest or by intestate succession, if the heirs or beneficiaries are unable to meet the conditions of transfer set forth in Section 16.4, then the executor may transfer the decedent's interest to another successor that we have approved, subject to all of the terms and conditions for transfers contained in this Agreement. If an interest is not disposed of under this Section 16.6 within six (6) months after the date of death or appointment of a personal representative or trustee, then we can terminate this Agreement under Section 19.2.

16.7 Securities Offering. If you or any owner desires to offer securities in an offering that does not require registration under any federal or state securities law, then the offering will be subject to all of the conditions of this Section 16, including our right of first refusal. All materials required for the offering by federal or state law must be submitted to us for review and our prior, express, written consent before use. No offering may imply, by use of the Marks or otherwise, that we are participating in underwriting, issuing, or offering the securities. Our review of the offering materials will be limited solely to the subject of the relationship between you and us. All participants in the offering must fully indemnify us in connection with the offering. For each proposed offering, in addition to the transfer fee under Section 16.4, you must reimburse us for our reasonable costs and expenses associated with reviewing the proposed offering. You also must reimburse us on an annual basis for our reasonable costs and expenses associated with providing information for your annual reports. You must give us written notice at least thirty (30) days before the commencement date of any offering for which we have completed our review and provided our consent to use of the offering materials.

16.8 Nonconforming Transfers Void. Any purported assignment or transfer that is not in compliance with this Section 16 will be null and void and will constitute a material breach of this Agreement, for which we may terminate this Agreement without opportunity to cure pursuant to Section 19.2 below. Our consent to a transfer will not constitute a waiver of any claims we may have against the transferor, nor will it be deemed a waiver of our right to demand exact compliance by the transferor, transferee or you with any of the terms of this Agreement.

## **17 GENERAL RELEASE**

17.1 You (on behalf of yourself and, if you are an individual, on behalf of your heirs, representatives, successors and assigns, and if you are an entity, on behalf your parent, subsidiaries and

affiliates and their respective past and present members, officers, directors, shareholders, agents and employees, in their corporate and individual capacities) (collectively, “**Franchisee Releasers**”) freely and without any influence forever release and covenant not to sue us, our parent, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities (collectively “**Franchisor Releasees**”), with respect to any and all claims, demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively, “**Claims**”), which any Franchisee Releaser now owns or holds or may at any time have owned or held, including claims arising under federal, state and local laws, rules and ordinances and Claims arising out of, or relating to this Agreement and all other agreements between any Franchisee Releaser and any Franchisor Releasee, the sale of any franchise to any Franchisee Releaser, the development and operation of the Franchised Business and the development and operation of all other businesses operated by any Franchisee Releaser that are franchised by any Franchisor Releasee. For the purpose of implementing a general release and discharge as described in this Section 17, you expressly acknowledge that this agreement is intended to include in its effect a release of all Claims described in this Section 17, including those which the parties do not know or suspect to exist in their favor at the time of execution hereof, and that this agreement contemplates that any such Claims will be permanently extinguished. You expressly agree that fair consideration has been given by us for this General Release and you fully understand that this is a negotiated, complete and final release of all Claims. This General Release does not release any Claims arising from representations made in our Franchise Disclosure Document and its exhibits or otherwise impair or affect any Claims arising after the date of this Agreement. This General Release is inapplicable to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

17.2 This Section 17.2 is applicable only if the Office is located in the State of California or you or any of your owners are domiciled in or reside in the State of California: You expressly waive and relinquish all rights and benefits that you either may now have or may in the future have under and by virtue of California Civil Code Section 1542. You do so understanding the significance and consequence of such a specific waiver. (Section 1542 provides that “[a] general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”)

## 18 RENEWAL

18.1 Successor Terms. When this Agreement expires, you will have an option to remain a franchisee and continue to operate the Franchised Business at the Office Location for two (2) successor terms of five (5) years each (the “**Successor Terms**”) if we are still offering franchises in your Territory and if you are in substantial compliance with the terms of this Agreement. The qualifications and conditions for the Successor Term are described below.

18.2 Conditions for the Successor Term. In order to be eligible for the first Successor Term, you must meet the following conditions:

18.2.1 You must give us written notice of your election to remain a franchisee and continue to operate the Franchised Business at the Office Location for the Successor Term at least six (6) months and no more than nine (9) months before the end of the Initial Term;

18.2.2 You must not be in default of this Agreement or any other agreement with us and/or our affiliates or Authorized Suppliers, either at the time of giving the notice in Section 18.2.1 or during the remainder of the Initial Term;

18.2.3 If you entered into this Agreement through a Development Agreement with us, then you must have successfully opened all GoJoe Patrol Businesses under that agreement in compliance with the applicable deadlines, or appropriate extensions approved by us, as set forth in that Development Agreement;

18.2.4 As determined by us in our sole discretion, you must have operated the Franchised Business and all of your other franchised GoJoe Patrol Businesses in accordance with the applicable franchise agreements and with the System (as set forth in the Manual or otherwise and as revised from time to time by us);

18.2.5 You must present satisfactory evidence to us that you have the right to remain in possession of the Office Location, or other Office Location acceptable to us, for the Successor Term and all monetary obligations owed to your landlord, if any, must be current;

18.2.6 You must be operating the Franchised Business in full compliance with all federal, state and local laws and regulations and you must demonstrate that you are able to maintain all licenses and permits necessary to continue to operate the Franchised Business for the Successor Term;

18.2.7 You must agree to renovate and modernize the Franchised Business as we may reasonably require, which may include the purchase and installation of new equipment, signs, furnishings, fixtures, vehicles and vehicle wraps, and décor to reflect our then-current standards and image of GoJoe Patrol Businesses; and

18.2.8 You must comply with our qualification and training requirements for new GoJoe Patrol Business franchisees.

18.3 Successor Franchise Agreement. If you are eligible and you elect to remain a franchisee for the Successor Term, then you and your owners must: (a) sign our then-current form of successor franchise agreement (modified as necessary to reflect the fact that it is a successor franchise agreement), which will supersede this Agreement in all respects and which may provide for higher fees, fees not included in this Agreement, and other terms and conditions materially different from the terms of this Agreement; (b) sign a general release, in a form we prescribe, of any and all claims against us, our affiliates, and their respective past and present officers, directors, shareholders, and employees, in their corporate and individual capacities; and (c) pay us a successor franchise fee in an amount equal to twenty-five percent (25%) of the initial franchise fee that you paid for the Initial Term ("**Successor Franchise Fee**"). Your failure to sign the successor franchise agreement and general release and return these documents to us with the Successor Franchise Fee prior to the expiration of the Initial Term will be deemed an election by you not to exercise your right to remain a franchisee for the Successor Term and will result in the expiration of this Agreement and the franchise granted by this Agreement at the end of the Initial Term.

## 19 DEFAULT AND TERMINATION

19.1 Termination without Notice. You will be deemed to be in default under this Agreement, and all rights granted to you in this Agreement will automatically terminate without notice to you, if you become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or is filed against you and not opposed by you and is not extinguished within sixty (60) days; if you are adjudicated as bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law are instituted by or against you; if a final judgment against you remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); if you are dissolved; if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the Office Location or equipment of the Franchised Business is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of the Franchised Business is sold after levy thereupon by any sheriff, marshal, or constable.

19.2 Termination without Cure Period. If any of the following events of default occurs, then we may terminate this Agreement without providing you any opportunity to cure the default, effective immediately upon receipt of written notice by you:

19.2.1 You fail to meet the Office Setup Deadline or the Opening Deadline.

19.2.2 You cease to operate the Franchised Business for any twenty-four (24) hour period, unless the closing is due to fire, flood, earthquake or other similar causes beyond your control or is approved in writing in advance by us.

19.2.3 You lose possession of the Office Location through your own fault or your failure to extend the Lease for the Office Location through the Initial Term or you relocate the Office Location without our prior written approval.

19.2.4 Your Operating Principal fails to satisfactorily complete our training program; you have on staff any person who does not meet all state or local requirements for certification, licensing, or other requirements necessary for employment in the United States and/or in the Franchised Business; or you fail or refuse to have the required number of your employees attend and successfully complete the training programs described in Section 6.

19.2.5 You, your owners, your employees or your independent contractors do business with third parties in violation of any Anti-Terrorism Laws and/or the FCPA.

19.2.6 You default on the terms of any indebtedness that results in the acceleration of the indebtedness with an outstanding principal amount of One Hundred Thousand Dollars (\$100,000) or more or there is an entry of a judgment against you involving aggregate liability (in excess of insurance coverage) of One Hundred Thousand Dollars (\$100,000) or more if such judgment remains unpaid or unsatisfied for a period of ten (10) or more days following entry of the judgment.

19.2.7 You fail to operate the Franchised Business in full compliance with federal, state and local laws and regulations or fail to cure such violations within fifteen (15) days of notification or such longer period if you are diligently working to cure the violation and the cure is not possible within such fifteen (15) day period.

19.2.8 There is a governmental action against you that, in our sole discretion, would adversely impact you or the System; or continuation of the business relationship between the parties would cause us to be in violation of any federal, state or local laws or regulations.

19.2.9 There is a material breach by you of any covenant or obligation under Section 15.

19.2.10 Any transfer that requires our prior written consent occurs without your having obtained that prior written consent.

19.2.11 You fail to dispose of an interest under Section 16.6 within six (6) months after the date of death or appointment of a personal representative or trustee.

19.2.12 We discover that you made a material misrepresentation in or omitted a material fact from the information that you provided to us in connection with our decision to enter into this Agreement.

19.2.13 You knowingly falsify any report required to be furnished to us or make any material misrepresentation in your dealings with us or fail to disclose any material facts to us.

19.2.14 You, your Operating Principal or any of your owners are convicted of, or plead no contest to, a felony charge, a crime involving moral turpitude, or any other crime or offense that is reasonably likely, in our sole opinion, to adversely affect us, our affiliates or the System.

19.2.15 You, your Operating Principal, or any of your owners (a) materially misuse or make unauthorized use of the Marks or Proprietary Materials, (b) commit any act or take any action that impairs the goodwill of the Marks, (c) use the Proprietary Materials or other proprietary System knowledge at any

other business owned or operated by you or your owners; or (d) fail to cure any breach or default under this Agreement that materially impairs or can be expected to impair the goodwill associated with the Marks.

19.2.16 You understate the Gross Sales of the Franchised Business for any period by two percent (2%) or more three (3) or more times during any thirty six (36) month period, or by more than five percent (5%) on any one occasion.

19.2.17 You conceal revenue, taking for your own use employee taxes, FICA, insurance or benefits or any of our property.

19.2.18 You engage in any "gray marketing" activities where you take advantage of purchasing arrangements for GoJoe Patrol Businesses and transfer products to any other business not operating under the System.

19.2.19 You interfere with our relations with third parties and our ability to operate, and/or grant franchises under, the System.

19.2.20 You fail to pay a financial obligation owed to any lender that has provided financing under an arrangement with us or any suppliers (which may include us and our affiliates) within five (5) days of the date on which we provide notice of delinquency.

19.2.21 You, your Franchisee Affiliates, your Operating Principal, or any owner: (a) remain in default beyond the applicable cure period under any other agreement with us or our affiliates (provided that, if the default is not by you, then we shall provide to you written notice of the default and a fifteen (15) day period to cure the default); (b) remain in default beyond the applicable cure period under any real estate lease, equipment lease, financing instrument or Authorized Supplier contract relating to the Franchised Business; (c) fail to pay when due any taxes or assessments relating to the Franchised Business or its employees, unless you are actively prosecuting or defending the claim or suit in a court of competent jurisdiction or by appropriate government administrative procedure or by arbitration or mediation conducted by a recognized alternative dispute resolution organization.

19.2.22 After curing a default, you commit the same default of this Agreement within a thirty-six (36) month period.

19.2.23 You repeatedly fail to comply with one or more requirements of this Agreement, regardless of whether you have previously cured the default.

19.3 Emergency Closing. If we in good faith believe that you are using products or utilizing procedures at the Franchised Business that are unsafe to customers and/or employees, then we have the right, without prior notice, to immediately close your Franchised Business until such time as the unsafe products or procedures are no longer served or used. You will have twenty-four (24) hours after the closing of the Franchised Business to prepare a written plan detailing the procedures that you will put in place to ensure that the unsafe practice has been fully remedied and will not recur. If you and we cannot agree on a plan, or if you intentionally fail to follow the plan agreed upon, then we will have the right to terminate this Agreement by written notice, with no further opportunity for you to cure the default.

#### 19.4 Termination Following Expiration of Cure Period

19.4.1 Except as otherwise provided above in Sections 19.1 and 19.2 above, if you fail to maintain or observe any of the standards or procedures prescribed by us in this Agreement, the Manual, or otherwise in writing, then we may only terminate this Agreement by giving you written notice of termination (in the manner set forth under Section 24 below) stating the nature of the default at least thirty (30) days before the effective date of termination; provided, however, that you may avoid termination by immediately initiating a remedy to cure such default, by in fact curing the default to our satisfaction, and by promptly providing proof of the cure to us, all within the thirty (30) day period. If any such default is not cured within

the specified time (or such longer period as applicable law may require), then this Agreement shall terminate without further notice to you effective immediately upon the expiration of the thirty (30) day period (or such longer period as applicable law may require).

19.4.2 Notwithstanding the provisions of preceding Section 19.4.1, if you default in the payment of any monies owed to us when such monies become due and payable and you fail to pay such monies within five (5) days after receiving written notice of default (or such longer period as applicable law may require), then this Agreement shall terminate without further notice to you effective immediately upon the expiration of the five (5) day period or such longer period as applicable law may require.

19.4.3 In addition to the other provisions of this Section 19.4, if we reasonably determine that you are or will become unable to meet your obligations to us or our affiliates under this Agreement, then we may provide you written notice to that effect and demand that you provide those assurances reasonably designated by us, which may include security or letters of credit for the payment of your obligations to us and our affiliates. If you fail to provide the assurances demanded by us within thirty (30) days after receipt of written notice from us, then this Agreement shall terminate without further notice to you effective immediately upon expiration of that time, unless we notify you otherwise in writing.

19.5 Termination Following Inspection. We will have the right to periodically conduct inspections of the Franchised Business to evaluate your compliance with the System and this Agreement. Following each inspection, we will provide you an report listing your score on the inspection and those conditions at the Franchised Business that must be rectified. If you fail to achieve a passing score on an inspection, our report shall constitute a notice of default. If you fail to achieve a passing score on the next inspection (which shall be conducted at least thirty (30) days after your receipt of our report for the prior inspection), then we may terminate this Agreement, without opportunity to cure, by providing you written notice of termination along with our report.

19.6 Statutory Limitations. If any valid, applicable law or regulation of a competent governmental authority with jurisdiction over this Agreement requires a notice or cure period prior to termination longer than set forth in this section, then this Agreement will be deemed amended to conform to the minimum notice or cure period required by the applicable law or regulation.

## **20 OBLIGATIONS UPON TERMINATION OR EXPIRATION**

20.1 Obligations. Except as provided in Section 20.2 below, upon termination or expiration of this Agreement:

20.1.1 You must immediately cease operating the Franchised Business;

20.1.2 You must promptly pay all sums owing to us, our affiliates and Authorized Suppliers. In the event of termination for your default, the sums will include all damages, costs, and expenses incurred by us as a result of the default, including reasonable attorneys' fees. You must permit our access to, and examination of, books and records as provided in Section 12 to determine any amounts due;

20.1.3 You must promptly deliver to us the Manual and all other records, correspondence, and instructions in your possession or control, in any medium, that contain confidential information, trade secrets, or know-how relating to the System or the operation of a GoJoe Patrol Business, all of which are acknowledged to be our sole and exclusive property;

20.1.4 You must immediately cease to use the confidential methods, procedures, and techniques associated with the System, the "GoJoe Patrol" name and mark, all other Marks, the Proprietary Materials, and all other distinctive forms, customer contracts, slogans, signs, symbols, websites, domain names, e-mail addresses, telephone numbers, other electronic identifiers, and devices associated with the Franchised Business or the System; withdraw all advertising matter (including electronic marketing);

remove the Marks from the Office Location and from clothing, signs, letterhead, materials, vehicles and other items owned or used by you in the operation of the Franchised Business; and acquire all such materials from your personnel. Except as provided in Section 20.2 below, you must not thereafter, directly or indirectly, represent yourself to the public or hold yourself out as a present or former franchisee of ours. If you fail to promptly make these alterations and modifications, then we will have the right (at your expense, to be paid upon your receipt of an invoice from us) to do so without being guilty of trespass or other tort.

20.1.5 You must immediately cease all communications with customers, provide to us copies of all customer contracts and any related information we request, and provide us with all other information and access necessary for us (or our designee) to continue servicing the customers and related business relationships.

20.1.6 You must promptly make such alterations and modifications to the Office Location as may be necessary to clearly distinguish to the public the Office Location from its former appearance as a GoJoe Patrol Business and also make those specific additional changes as we may request in writing for that purpose. If you fail to promptly make these alterations and modifications, then we will have the right (at your expense, to be paid upon your receipt of an invoice from us) to do so without being guilty of trespass or other tort or claim against us.

20.1.7 You must take such action as may be necessary to cancel any assumed name registration or equivalent registration, and any e-mail address or domain name registration, obtained by you which contains "GoJoe Patrol" or any other Marks, and furnish evidence satisfactory to us of compliance with this obligation within five (5) days after termination or expiration of this Agreement. You hereby appoint us your attorney-in-fact to carry out the requirements of this Section 20.1.7, if you fail to do so within such five (5) day period.

20.1.8 You may not use any reproduction, counterfeit, copy, or colorable imitation of the Marks or the Proprietary Materials in connection with any other business which, in our sole discretion, is likely to cause confusion, mistake, or deception or to dilute our and our affiliates' rights in and to the Marks and the Proprietary Materials. You must not use any designation of origin or description or representation which, in our sole discretion, falsely suggests or represents an association or connection with us.

20.1.9 You must make a final transfer of all data related to the Franchised Business to us and you may not retain or use any such data.

20.1.10 You must immediately take whatever action we may require to transfer and assign to us or our designee all telephone numbers, directory listings and related advertisements associated with the Marks. You acknowledge that we have the sole rights to and interest in all telephone numbers and directory listings associated with any Mark, and you authorize us to direct the telephone company and all listing agencies to transfer all telephone numbers and directory listings to us or our designee. If you fail or refuse to do so, then the telephone company and all listing agencies may accept our direction as evidence of our exclusive rights in the telephone numbers and directory listings and our authority to direct the transfer. You agree to sign any written authorizations or pre-approved authorizations in the form prescribed by us directing the telephone company and any listing agencies to transfer all telephone numbers and directory listing to us or our designee upon the occurrence of any termination or expiration. You appoint us as your attorney-in-fact for this purpose. You acknowledge that this power is coupled with an interest, and is therefore irrevocable. You will use your best efforts to assist us and our designee in an orderly transfer of these matters

20.1.11 You, your guarantors and all persons and entities subject to the covenants contained in Section 15 must continue to abide by those covenants and refrain from, directly or indirectly, taking any action that violates those covenants.

20.1.12 You must furnish to us, within thirty (30) days after the effective date of termination or expiration, evidence (certified to be true, complete, accurate and correct by your chief executive officer) satisfactory to us of your compliance with Sections 20.1.1 through 20.1.10.

20.2 Our Rights to Acquire the Office Location and the Franchised Business Assets. Upon expiration or termination of this Agreement, at our option you must:

20.2.1 Facilitate our or our designee's conversations with customers to ensure an orderly transition of the GoJoe Patrol Business operations.

20.2.2 Assign to us your interest in the Lease for the Office Location (or provide us with a commercially reasonable lease in the event you own the Office Location). If we elect not to exercise our option to acquire the Lease, then you must make such modifications or alterations to the Office Location as may be necessary to comply with Section 20.1.6.

20.2.3 Sell to us such of the furnishings, equipment, vehicles, signs, and fixtures of the Franchised Business as we may designate, at fair market value, and such of the inventory and supplies of the Franchised Business as we may designate, at fair market wholesale value. If the parties cannot agree on the price of any such items within a reasonable time, then an independent appraiser will be appointed by us at our expense, and the appraiser's determination will be binding on both parties. If we exercise our option to purchase any items, then we will have the right to set off all amounts due from you against any payment for such items.

20.2.4 We may exercise our options under this Section 20.2: (a) anytime in the six (6) month period before the expiration of the Initial Term, in the case of expiration of this Agreement; and (b) at any time between the date of delivery of written notice of termination and thirty (30) days after the effective date of termination, in the case of termination of this Agreement. If we deem such action desirable in order to preserve the value of such options, then we may issue to you, and you must comply with, our written instructions to refrain from, delay, or reverse any of the actions required of you under Section 20.1.

### 20.3 Early Termination Damages

20.3.1 If you default on your obligations and we terminate this Agreement prior to the expiration of the Initial Term of this Agreement, it is hereby agreed by the parties that the amount of damages which we would incur for any such termination of this Agreement would be difficult, if not impossible, to accurately ascertain. Accordingly, within thirty (30) days following such termination, you and your owners shall pay to us an amount equal to the average monthly Royalty Fees and Brand Fund contributions, that you owed for the twelve (12) month period prior to termination (or, if the Franchised Business was open for less than twelve (12) months, then the average monthly Royalty Fees and Brand Fund contributions owed by you based on your annualized sales for the months that the Franchised Business was in operation) multiplied by the lesser of thirty-six (36) months or the number of months (including any partial month) remaining in the Initial Term of this Agreement. These early termination damages shall constitute liquidated damages and are not to be construed as a penalty and shall be the joint and several liability of you and your owners.

20.3.2 The parties acknowledge and agree that: (a) the early termination damages are a reasonable estimation of the damages that would be incurred by us resulting from or arising out of the premature termination of this Agreement; and (b) your payment of such early termination damages is intended to fully compensate us only for any and all damages related to or arising out of the premature termination of this Agreement by us, and shall not constitute an election of remedies, waiver of any default under this Agreement, nor waiver of our claim for other damages and/or equitable relief arising out of your breach of this Agreement. The imposition of early termination damages shall be at our option. We are not required to impose early termination damages and may, in addition or in lieu thereof, pursue other remedies available to us under the terms and conditions of this Agreement, in equity or at law in the event of your default under this Agreement, including actual damages incurred by us, if such can be ascertained. All such remedies shall be cumulative and non-exclusive.

20.4 Our Costs and Expenses. You agree to pay us all damages, costs, and expenses (including reasonable attorneys' fees) we incur in obtaining injunctive, declaratory, or other relief to enforce this Section 20.

## 21 INDEPENDENT CONTRACTOR AND INDEMNIFICATION

21.1 Independent Contractor. This Agreement does not create a fiduciary relationship between you and us. You are an independent contractor, and nothing in this Agreement is intended to make either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever. While this Agreement is in effect, you must hold yourself out to the public as an independent contractor operating the Franchised Business pursuant to a franchise agreement from us. This Agreement does not authorize you to make any contract, agreement, warranty, or representation on our behalf or to incur any debt or other obligation in our name. We will not be deemed liable as a result of any such action, nor will we be liable by reason of your act or omission in the operation of the Franchised Business, or for any claim or judgment arising therefrom against you or us.

### 21.2 Indemnification

21.2.1 You and your owners will defend, indemnify and hold harmless, us and our parent, affiliates, subsidiaries and their successors and assigns, and each of their respective direct and indirect owners, directors, officers, managers, employees, agents, attorneys, and representatives (collectively, "**Indemnified Parties**") from and against all Losses (as defined below) which any of the Indemnified Parties may suffer, sustain or incur as a result of a claim asserted or inquiry made formally or informally, or a legal action, investigation, or other proceeding brought by a third party and directly or indirectly arising out of your development and operation of the Franchised Business, your conduct of business under this Agreement, your breach of this Agreement or your noncompliance or alleged noncompliance with any law, ordinance, rule or regulation including any allegation that we or another Indemnified Party is a joint employer or otherwise responsible for your acts or omissions relating to your employees. We will promptly notify you of any claim that may give rise to a claim of indemnity hereunder, provided, however, that the failure to provide such notice will not release you from your indemnification obligations under this section except to the extent you are actually and materially prejudiced by such failure.

21.2.2 You will have the right, within fifteen (15) days after delivering written notice to the Indemnified Party in which you assume full responsibility for the Losses resulting from such claim, to assume and control the defense of such claim, including the employment of counsel reasonably satisfactory to the Indemnified Party, and to the payment of the fees and disbursements of such counsel. If (a) the Indemnified Party will have been advised by counsel that there are one or more legal or equitable defenses available to it that are different from or in addition to those available to you and, in the reasonable opinion of the Indemnified Party, your counsel could not adequately represent the interests of the Indemnified Party because such interests could be in conflict with your interests, or (b) you do not assume responsibility for such Losses in a timely manner or you fail to defend a claim with counsel reasonably satisfactory to the Indemnified Party as contemplated above, then the Indemnified Party will have the right to employ counsel of its own choosing, and you will pay the fees and disbursements of such Indemnified Party's counsel as incurred. In connection with any claim, the Indemnified Party or you, whichever is not assuming the defense of such claim, will have the right to participate in such claim and to retain its own counsel at such party's own expense.

21.2.3 You or the Indemnified Party (as the case may be) will keep you or the Indemnified Party (as the case may be) reasonably apprised of, and will respond to any reasonable requests concerning, the status of the defense of any claim and will cooperate in good faith with each other with respect to the defense of any such claim. You will not, without the prior written consent of the Indemnified Party: (a) settle or compromise any claim or consent to the entry of any judgment with respect to any claim which does not include a written release from liability of such claim for the Indemnified Party and its affiliates, direct and indirect owners, directors, managers, employees, agents and representatives; or (b) settle or compromise any claim in any manner that may adversely affect the Indemnified Party other than as a result of money damages or other monetary payments which will be paid by you. No claim that is being defended in good faith by you in accordance with the terms of this section will be settled by the Indemnified Party without your prior written consent. Notwithstanding anything to the contrary herein, if a claim involves the Marks, then you agree that we will have the exclusive right to assume the defense of such claim, at your expense with counsel selected by us, but reasonably satisfactory to you.

21.2.4 You have no obligation to indemnify or hold harmless an Indemnified Party for any Losses to the extent they are determined in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction to have been caused solely and directly by the Indemnified Party's gross negligence, willful misconduct, or willful wrongful omissions.

21.2.5 For purposes of this Section 21.2, "**Losses**" include all obligations, liabilities, damages (actual, consequential, or otherwise), and defense costs that any Indemnified Party incurs. Defense costs include accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, and alternative dispute resolution.

21.2.6 Your obligations in this Section 21.2 will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its Losses, in order to maintain and recover fully a claim against you under this Section 21.2. You agree that a failure to pursue a recovery or mitigate a Loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this Section 21.2.

## **22 APPROVAL AND WAIVERS**

22.1 Approvals. Whenever this Agreement requires our prior approval, permission, or consent, you must make a timely, written request for approval to us, your request must include all information and documentation necessary for us to make a well-informed decision, and our approval, permission, or consent must be express, obtained in writing, and signed by one of our officers. We may condition, limit, deny and/or revoke all requests in our sole discretion at any time.

22.2 No Warranty. We make no warranties or guarantees and assume no liability or obligation to you by providing any waiver, approval, consent, or suggestion to you in connection with this Agreement, or by reason of any neglect, delay, or denial of any request therefor.

22.3 No Implied Waiver. No delay or failure by us to exercise any right reserved to us under this Agreement or to insist upon strict compliance by you with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, will constitute a waiver of our right to exercise such right or to demand exact compliance by you with any of the terms hereof. Waiver by us of any particular default by you will not affect or impair our rights with respect to any subsequent default of the same, similar, or a different nature. Acceptance by us of any payments due to us hereunder will not be deemed to be a waiver by us of any preceding breach by you.

## **23 FORCE MAJEURE**

If the performance of any obligation by any party under this Agreement is prevented, hindered or delayed by reason of Force Majeure that cannot be overcome by reasonable commercial measures, the parties shall be relieved of their respective obligations (to the extent that the parties, having exercised best efforts, are prevented, hindered or delayed in such performance) during the period of such Force Majeure. The party whose performance is affected by an event of Force Majeure shall give prompt written notice of such Force Majeure event to the other party by setting forth the nature thereof and an estimate as to its duration. Your inability to obtain financing (regardless of the reason) shall not constitute Force Majeure.

## **24 NOTICES**

All notices pursuant to this Agreement must be in writing and delivered in person or sent by personal delivery, by next day delivery service, by electronic mail with delivery receipt, or by certified mail, return receipt requested, to the respective parties at the addresses shown on the signature page of this Agreement (unless and until a different address has been designated by written notice to the other party). Any notices sent by personal delivery, next day delivery service or by electronic mail shall be deemed given on the next

business day after transmittal. Any notices sent by certified mail shall be deemed given on the third business day after the date of mailing. Any change in the foregoing addresses shall be effected by giving fifteen (15) days prior written notice of such change to the other party. We may provide you with routine information, invoices, updates to the Manual, System standards and other System requirements and programs, including any modifications thereto, by regular mail or by electronic mail, or by making such information available to you on the internet, an extranet, or other electronic means.

## **25 ENTIRE AGREEMENT**

The parties acknowledge that each element of this Agreement is essential and material and that, except as otherwise provided in this Agreement, the parties shall deal with each other in good faith. This Agreement, the Manual, the Exhibits and the attachments to this Agreement (which are incorporated into this Agreement by this reference as though fully set forth herein), constitute the entire, full and complete agreement between the parties concerning your rights, and supersede any and all prior or contemporaneous negotiations, discussions, understandings or agreements. There are no other representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Agreement other than those set forth in this Agreement and in the attachments. No obligations or duties that contradict or are inconsistent with the express terms of this Agreement may be implied into this Agreement. Subject to our rights to modify the Manual, the System standards and the System, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed in writing. Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim any representation made in our Franchise Disclosure Document that we provided to you.

## **26 DISPUTES**

26.1 Non-Binding Mediation. The parties agree that either party may submit any claim, controversy, or dispute arising out of this Agreement to non-binding mediation, provided the parties shall not be required to pursue mediation of any claim, controversy, or dispute as a prerequisite to filing a lawsuit or commencing other legal proceedings, and the pendency of a mediation shall not cause any legal proceedings to be stayed pending the outcome of the mediation. Any such non-binding mediation shall be conducted in the county in which our principal offices are located at the time the claim is submitted to mediation through either an individual mediator or a mediation services organization, provided the mediator shall be experienced in the mediation of franchise disputes and agreed upon by the parties.

26.2 Choice of Law. This Agreement and any claim or controversy arising out of, or relating to, rights and obligations of the parties under this Agreement and any other claim or controversy between the parties shall be governed by and construed in accordance with the laws of the State of Washington without regard to conflicts of laws principles; provided that, nothing in this Section 26.2 is intended, or shall be deemed, to make any Washington law regulating the offer or sale of franchises, or the franchise relationship, applicable to this Agreement if such law would not otherwise be applicable because you reside in, or your Franchised Business is located in, the State of Washington.

26.3 Choice of Forum. The parties agree that, to the extent any disputes cannot be resolved directly between them, you must file any suit against us only in the federal or state court having jurisdiction where our principal offices are located at the time suit is filed. We may file suit in the federal or state court located in the jurisdiction where our principal offices are located at the time suit is filed, in the jurisdiction where you reside or do business, where the Office is or was located, or where the claim arose. You consent to the personal jurisdiction of those courts over you and to venue in those courts.

26.4 Limitations of Actions. Except for payments owed by one party to the other, and unless prohibited by applicable law, any legal action or proceeding brought or instituted with respect to any dispute arising from or related to this Agreement (including the offer and sale of a franchise to you) or with respect to any breach of the terms of this Agreement must be brought or instituted within a period of two (2) years after the initial occurrence of any act or omission that is the basis of the legal action or proceeding, regardless of when the act or omission was discovered.

26.5 Reimbursement of Costs and Expenses. If either party brings an action to enforce this Agreement in a judicial proceeding, then the party prevailing in that proceeding shall be entitled to reimbursement of costs and expenses, including reasonable accountants', attorneys', attorneys' assistants' and expert witness fees, the cost of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, during, in preparation for, or in contemplation of the filing of, the proceeding. If we utilize legal counsel (including in-house counsel employed by us) in connection with any failure by you to comply with this Agreement, then you shall reimburse us for any of the above-listed costs and expenses incurred by us. In any judicial proceeding, the amount of these costs and expenses will be determined by the court and not by a jury.

26.6 Rights of Parties are Cumulative. The parties' rights under this Agreement are cumulative, and the exercise or enforcement of any right or remedy under this Agreement will not preclude the exercise or enforcement by a party of any other right or remedy under this Agreement that it is entitled by law or this Agreement to exercise or enforce.

26.7 WAIVER OF PUNITIVE DAMAGES, CLASS ACTION LAWSUITS AND JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY WAIVES ANY RIGHT TO, OR CLAIM FOR, ANY CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER PARTY. THE PARTIES ALSO AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN THEM, THE PARTY MAKING A CLAIM WILL BE LIMITED TO RECOVERY OF ACTUAL DAMAGES, IF ANY. IN ADDITION, THE PARTIES IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO BRING, OR BE A CLASS MEMBER IN, ANY CLASS ACTION SUITS AND THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, AND/OR COUNTERCLAIM BROUGHT BY EITHER PARTY.

26.8 Injunctive Relief. You recognize that your failure to comply with the terms of this Agreement, including the failure to comply fully with all post-termination obligations, is likely to cause irreparable harm to us, our affiliates and the System. Therefore, you agree that, in the event of a breach or threatened breach of any of the terms of this Agreement by you, we shall be entitled to injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance without showing or proving actual damages and without posting any bond or security. Any equitable remedies sought by us shall be in addition to, and not in lieu of, all remedies and rights that we otherwise may have arising under applicable law or by virtue of any breach of this Agreement.

## **27 SEVERABILITY AND CONSTRUCTION**

27.1 Severability. If any provision of this Agreement is determined to be invalid or in conflict with any existing or future law or regulation by a court or agency having valid jurisdiction, then the invalidity will not impair the operation of any other provisions which remain otherwise intelligible. The latter will continue to be given full force and effect, and the invalid provisions will be deemed not to be a part of this Agreement.

27.2 Construction. In this Agreement, the words "include", "includes", and "including" shall be deemed to be followed by the phrase "without limitation".

27.3 Counterparts. This Agreement may be executed in multiple counterparts, each of which when executed and delivered shall be deemed to be an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by electronic transmission (including an electronic signature platform such as DocuSign or the transmission of a scanned PDF document) shall be effective as delivery of a manually executed counterpart of this Agreement.

27.4 Gender and Number. All references to gender and number shall be construed to include such other gender and number as the context may require.

27.5 Captions. All captions in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision of this Agreement.

27.6 Time. Time is of the essence of this Agreement for each provision in which time is a factor. Whenever this Agreement refers to a period of days or months, the first day or month to be counted shall be the day or month of the designated action, event or notice. Days shall be measured by calendar days, except that if the last day of a period is a weekend or a national holiday, then the period automatically shall be extended to the next day that is not a weekend or a national holiday.

27.7 Survival of Obligations. All obligations that expressly or by reasonable implication are to be performed, in whole or in part, after the expiration, termination, or assignment of this Agreement will survive expiration, termination, or assignment.

27.8 No Implied Third Party Beneficiaries. Except as explicitly provided to the contrary herein, nothing in this Agreement is intended or will be deemed to confer any rights or remedies on any person or legal entity other than you, your owners, us, and our affiliates.

27.9 References. Each reference in this Agreement to an entity shall be deemed to refer to a corporation, partnership, limited liability company and any other entity or organization similar thereto, if applicable. Each reference to the organizational documents, owners, directors, and officers of a corporation in this Agreement shall be deemed to refer to the functional equivalents of such organizational documents, owners, directors, and officers, as applicable, in the case of any other entity or organization similar thereto, if applicable.

27.10 Lesser Included Obligations. You agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement, that may result from (a) striking any portion of a provision that a court or agency may hold to be unreasonable and unenforceable; or (b) reducing the scope of any promise or covenant to the extent required to comply with a court or agency order.

27.11 Best Interests of System. Whenever we exercise a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, except as otherwise expressly provided in this Agreement, we can make our decision or exercise our discretion on the basis of our judgment of what is in our best interests. "Best interests" includes what we believe to be the best interests of the System at the time the decision is made or the right or discretion is exercised, even though (a) there may have been other alternative decisions or actions that could have been taken; (b) our decision or the action taken promotes our own financial interest; or (c) our decision or the action may apply differently to different franchisees and/or to any GoJoe Patrol Businesses that we or our affiliates operate. In the absence of an applicable statute, we will have no liability to you for any such decision or action. If applicable law implies a covenant of good faith and fair dealing in this Agreement, then we and you agree that the covenant will not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement.

## **28 REPRESENTATIONS AND ACKNOWLEDGMENTS**

28.1 Franchise Application. You represent that all information that you provided to us in connection with your franchise application and our grant of this Franchise is truthful, complete and accurate.

28.2 Signatories to this Agreement. The persons signing this Agreement on your behalf have full authority to enter into this Agreement and the other agreements contemplated by the parties. Your execution of this Agreement or such other agreements does not and will not conflict or interfere with, directly or indirectly, intentionally or otherwise, with the terms of any other agreement with any other third party to which you or any of your owners is a party.

28.3 No Actual or Apparent Authority. Even though this Agreement contains provisions requiring you to operate the Franchised Business in compliance with the System: (a) we and our affiliates do not have actual or apparent authority to control the day-to-day conduct and operation of your business or

employment decisions; and (b) the parties do not intend for us or our affiliates to incur any liability in connection with or arising from any aspect of the System or your use of the System, whether or not in accordance with the requirements of the Manual, except with respect to any liability arising from our gross negligence or willful misconduct.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the Effective Date.

**FRANCHISOR:**

**GOJOE PATROL FRANCHISING, LLC**

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

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

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

**EFFECTIVE DATE:** \_\_\_\_\_

Notice Address:

7011 E Trent Avenue, #103  
Spokane Valley, Washington 99212  
Attn: Chief Executive Officer

**FRANCHISEE: If a corporation, partnership, or limited liability company, print name of business entity on the line below:**

\_\_\_\_\_

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

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

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

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

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

\_\_\_\_\_

**If Franchisee is one or more individuals:**

\_\_\_\_\_

(Print Name) \_\_\_\_\_

\_\_\_\_\_

(Print Name) \_\_\_\_\_

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

\_\_\_\_\_

**EXHIBIT A TO GOJOE PATROL FRANCHISE AGREEMENT**

**FRANCHISE INFORMATION**

**Franchisee:** \_\_\_\_\_

**Office Location:** \_\_\_\_\_

**Territory:** \_\_\_\_\_

**Initial Franchise Fee:** \_\_\_\_\_

[Calculated as a base of \$45,000 for a Territory with a population of 500,000 plus \$300 for each additional 10,000 people. If the franchisee is developing the Franchised Business under a Development Agreement the base is reduced as follows: \$37,000 for the first GoJoe Patrol Business, \$32,000 for the second through fourth GoJoe Patrol Business, and \$28,000 for the fifth and additional GoJoe Patrol Businesses. The base is reduced by 20% for the first GoJoe Patrol Business developed by veterans and first responders.]

**Minimum Market Introduction Program Expenditure:** \_\_\_\_\_

**Minimum Insurance Requirements as of the Effective Date:**

<b>TYPE OF INSURANCE POLICY</b>	<b>COVERAGE REQUIREMENTS</b>
Commercial General Liability	Each Occurrence – \$1,000,000 General Aggregate Limit - \$3,000,000
Automobile Liability	\$1,000,000
Cyber Security	\$1,000,000
Worker’s Compensation	Statutory Amount
Employment Practices	Each occurrence – \$1,000,000 Aggregate Limit - \$1,000,000
Umbrella Policy	Aggregate Limit - \$2,000,000

**FRANCHISEE:** \_\_\_\_\_

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

Print name: \_\_\_\_\_

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

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

**EXHIBIT B TO GOJOE PATROL FRANCHISE AGREEMENT**

**OWNERSHIP INTERESTS**

**Corporate Franchisee.** Franchisee is a corporation formed on \_\_\_\_\_ in the state of \_\_\_\_\_ . The number of authorized shares of Franchisee that have been issued is \_\_\_\_\_ and the name, address, number of shares owned (legally or beneficially) and office held by each shareholder is as follows:

Name	Address	No. of Shares	Office Held

**Limited Liability Company Franchisee.** Franchisee is a limited liability company formed on \_\_\_\_\_ in the state of \_\_\_\_\_. The name, address and percentage interest of each member is as follows:

Name	Address	Percentage Interest

**Other Business Entity Franchisee.** If Franchisee is some other business entity, the type of business entity and the name, address and ownership interest (including for a limited partnership, whether a general or limited partner) of each owner is as follows:

Type of Business Entity: \_\_\_\_\_  
 Date and State of Formation: \_\_\_\_\_

Name	Address	Ownership Interest

**Continuity Group.** Franchisee's Continuity Group shall be comprised of the following persons: \_\_\_\_\_  
 \_\_\_\_\_

**Operating Principal.** Franchisee's Operating Principal is: \_\_\_\_\_

**FRANCHISEE:** \_\_\_\_\_

By: \_\_\_\_\_  
 Print name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

## EXHIBIT C TO GOJOE PATROL FRANCHISE AGREEMENT

### GUARANTEE AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, the execution of the GoJoe Patrol Franchise Agreement dated as of \_\_\_\_\_ (“**Agreement**”) by GoJoe Patrol Franchising, LLC (“**Franchisor**”), entered into with \_\_\_\_\_ (“**Franchisee**”), the undersigned (“**Guarantors**”), each of whom is an owner, officer, director, or member of Franchisee’s Continuity Group, or the spouse thereof, hereby personally and unconditionally agree as follows:

**1. Guarantee To Be Bound By Certain Obligations.** Guarantors hereby personally and unconditionally guarantee to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement or at law or in equity, that each will be personally bound by the covenants and restrictions contained in Section 15 (Covenants) of the Agreement.

**2. Guarantee and Assumption of Franchisee’s Obligations.** Guarantors hereby: (a) guarantee to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement or at law or in equity, that Franchisee and any assignee of Franchisee’s interest under the Agreement shall: (a) punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement, and (b) punctually pay all other monies owed to Franchisor and/or its affiliates; (b) agree to be personally bound by each and every provision in the Agreement, including, without limitation, the provisions of Sections 15 (Covenants) and 21.2 (Indemnification); and (c) agree to be personally liable for the breach of each and every provision in the Agreement.

**3. General Terms and Conditions.** The following general terms and conditions shall apply to this Guarantee:

Each of the undersigned waives: (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right s/he may have to require that an action be brought against Franchisee or any other person as a condition of liability; (e) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the execution of and performance under this Guarantee by the undersigned; (f) any law or statute which requires that Franchisor make demand upon, assert claims against or collect from Franchisee or any others, foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any others prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guarantee; (g) any and all other notices and legal or equitable defenses to which s/he may be entitled; and (h) any and all right to have any legal action under this Guarantee decided by a jury.

Each of the undersigned consents and agrees that: (a) her/his direct and immediate liability under this Guarantee shall be joint and several; (b) s/he shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (c) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; (d) such liability shall not be diminished, relieved or otherwise affected by any amendment of the Agreement, any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which shall in any way modify or amend this Guarantee, which shall be continuing and irrevocable during the term of the Agreement and for so long thereafter as there are monies or obligations owing from Franchisee to Franchisor or its affiliates under the Agreement; and (e) monies received from any source by Franchisor for application toward payment of the obligations under the Agreement and under this Guarantee may be applied in any manner or order deemed appropriate by Franchisor. In addition, if any of the undersigned ceases to be a member of the Continuity Group, an owner, officer or director of Franchisee, then that person (and his/her spouse, if the spouse is also a guarantor) agrees that the obligations under this Guarantee shall continue to remain in force and

effect unless Franchisor in its sole discretion, in writing, releases those person(s) from this Guarantee. Notwithstanding the provisions of the previous sentence, unless prohibited by applicable law, the obligations contained in Section 15.2 (Restrictions on Competition) of the Agreement shall remain in force and effect for a period of two (2) years after any such release by Franchisor. A release by Franchisor of any of the undersigned shall not affect the obligations of any other Guarantor.

If Franchisor brings an action to enforce this Guarantee in a judicial proceeding, the prevailing party in such proceeding shall be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants' and expert witness fees, cost of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. In any judicial proceeding, these costs and expenses shall be determined by the court and not by a jury.

If Franchisor utilizes legal counsel (including, but not limited to, in-house counsel employed by Franchisor or its affiliates) in connection with any failure by the undersigned to comply with this Guarantee, the undersigned shall reimburse Franchisor for any of the above-listed costs and expenses incurred by it.

If any of the following events occur, a default ("**Default**") under this Guarantee shall exist: (a) failure of timely payment or performance of the obligations under this Guarantee; (b) breach of any agreement or representation contained or referred to in this Guarantee; (c) the dissolution of, termination of existence of, loss of good standing status by, appointment of a receiver for, assignment for the benefit of creditors of, or the commencement of any insolvency or bankruptcy proceeding by or against, any of the undersigned; and/or (d) the entry of any monetary judgment or the assessment against, the filing of any tax lien against, or the issuance of any writ of garnishment or attachment against any property of or debts due any of the undersigned. If a Default occurs, then the obligations of the undersigned shall be due immediately and payable without notice. Upon the death of one of the undersigned, the estate shall be bound by this Guarantee for all obligations existing at the time of death. The obligations of the surviving Guarantors shall continue in full force and effect.

This Guarantee shall inure to the benefit of and be binding upon the parties and their respective heirs, legal representatives, successors and assigns. Franchisor's interests in and rights under this Guarantee are freely assignable, in whole or in part, by Franchisor. Any assignment shall not release the undersigned from this Guarantee.

Section 26 (Disputes) of the Agreement is incorporated by reference into this Guarantee and all capitalized terms that are not defined in this Guarantee shall have the meaning given them in the Agreement.

*[Signatures follow on next page.]*

**IN WITNESS WHEREOF**, each of the undersigned has hereunto affixed his signature, under seal.

**GUARANTORS:**

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

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

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

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

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

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

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

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

## EXHIBIT D TO GOJOE PATROL FRANCHISE AGREEMENT

### FORM OF ADDENDUM TO LEASE

**THIS ADDENDUM** is executed as of this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between \_\_\_\_\_ (“**Franchisee**”) and \_\_\_\_\_ (“**Landlord**”), as an addendum to the lease, as modified, amended, supplemented, renewed and/or extended from time to time as contemplated herein, (“**Lease**”) for the premises located at \_\_\_\_\_, State of \_\_\_\_\_ (“**Office Location**”) dated as of \_\_\_\_\_, \_\_\_\_.

Franchisee has entered into a GoJoe Patrol Franchise Agreement (“Franchise Agreement”) with GoJoe Patrol Franchising, LLC (“Franchisor”) for the development and operation of a GoJoe Patrol Business at the Office Location, and as a requirement thereof, the lease for the Office Location must contain the provisions contained in this Addendum.

Landlord and Franchisee agree that the terms contained herein shall supersede any terms to the contrary set forth in the Lease.

**NOW THEREFORE**, in consideration of mutual covenants set forth herein, the execution and delivery of the Lease, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Franchisee hereby agree as follows:

1. Landlord shall deliver to Franchisor a copy of any notice of default or termination of the Lease at the same time such notice is delivered to Franchisee.
2. Franchisee hereby assigns to Franchisor, with Landlord’s irrevocable and unconditional consent, all of Franchisee’s rights, title and interests to and under the Lease upon any termination or non-renewal of the Franchise Agreement, but no such assignment shall be effective unless: (a) the Franchise Agreement is terminated or expires without renewal; (b) Franchisor has exercised its option to acquire the Office Location under the Franchise Agreement; and (c) Franchisor notifies the Franchisee and Landlord in writing that Franchisor assumes Franchisee’s obligations under the Lease.
3. Franchisor shall have the right, but not the obligation, upon giving written notice of its election to Franchisee and Landlord, to cure any breach of the Lease and, if so stated in the notice, to also succeed to Franchisee’s rights, title and interests thereunder.
4. The Lease may not be modified, amended, supplemented, renewed, extended or assigned by Franchisee without Franchisor’s prior, express, written consent.
5. Franchisee and Landlord acknowledge and agree that Franchisor shall have no liability or obligation whatsoever under the Lease unless and until Franchisor assumes the Lease in writing pursuant to Section 2 or Section 3, above.
6. If Franchisor assumes the Lease, Landlord may not impose or assess any assignment fee or similar charge or accelerate rent due under the Lease in connection with the assignment. Franchisor may, without Landlord’s prior consent, further assign the Lease to a franchisee of Franchisor to operate the GoJoe Patrol Business at the Office Location provided that the following criteria are met: (a) Franchisor has an established franchising program for GoJoe Patrol Businesses; and (b) the proposed franchisee has met all of Franchisor’s applicable program criteria and requirements and has executed Franchisor’s standard franchise agreement. Landlord agrees to execute such further documentation to confirm its consent to the assignment permitted under this Addendum as Franchisor may reasonably request. Upon such assignment to a franchisee of Franchisor, Franchisor shall be released from any further liability under the terms and conditions of the Lease.

7. Landlord and Franchisee hereby acknowledge that Franchisee has agreed under the Franchise Agreement that Franchisor and its employees or agents shall have the right to enter the Office Location for certain purposes. Landlord hereby agrees not to interfere with or prevent such entry by Franchisor, its employees or agents. Landlord and Franchisee hereby further acknowledge that in the event the Franchise Agreement expires (without renewal) or is terminated, Franchisee is obligated to take certain steps under the Franchise Agreement to de-identify the Office Location as a GoJoe Patrol Business. Landlord agrees to permit Franchisor, its employees or agent, to enter the Office Location and remove signs (both interior and exterior), décor and materials displaying any marks, designs or logos owned by Franchisor, provided Franchisor shall bear the expense of repairing any damage to the Office Location as a result thereof.
8. Landlord and Franchisee agree that if Landlord is an affiliate or an owner of Franchisee and Landlord proposes to sell the Office Location, then prior to the sale of the Office Location, the Lease upon the request of Franchisor shall be amended to reflect a rental rate and other terms that are the reasonable and customary rental rates and terms prevailing in the community where the GoJoe Patrol Business is located.
9. Landlord agrees that during and after the term of the Lease, it will not disclose or use Franchisor's Confidential Information (as defined below) for any purpose other than for the purpose of fulfilling Landlord's obligations under the Lease. "**Confidential Information**" as used herein shall mean all non-public information and tangible things, whether written, oral, electronic or in other form, provided or disclosed by or on behalf of Franchisee or Franchisor to Landlord, or otherwise obtained by Landlord, regarding the design and operations of the business located at the Office Location, including, without limitation, all trade secrets, trade dress, manner of operation, suppliers, vendors, and all other products, goods, and services used, useful or provided by or for Franchisee at the Office Location. Landlord acknowledges that all Confidential Information belongs exclusively to Franchisor. Landlord agrees that should it breach or threaten to breach this provision of this Addendum, Franchisor will suffer irreparable damages and Franchisor's remedy at law will be inadequate. Therefore, if Landlord threatens or actually breaches this provision, then Franchisor shall be entitled to all remedies available to Franchisor at law or in equity, including, without limitation, injunctive relief.
10. Landlord agrees that:(a) Franchisor has solely granted to Franchisee the right to use Franchisor's proprietary trade name, trademarks, service marks logos, insignias, slogans, emblems, symbols, designs and indicia of origin (collectively the "**Marks**") at the Office Location under the terms of the Franchise Agreement; and (b) Franchisor has not granted any rights or privileges to Landlord to use the Marks at the Office Location or anywhere else; and (c) Landlord's unauthorized use of the Marks during or after the term of the Lease shall cause irreparable harm to Franchisor and Franchisor's remedy at law will be inadequate. Therefore, if Landlord threatens or actually breaches this provision, then Franchisor shall be entitled to all remedies available to Franchisor at law or in equity, including, without limitation, injunctive relief.
11. Franchisor, along with its successors and assigns, is an intended third party beneficiary of the provisions of this Addendum.
12. Copies of any and all notices required or permitted hereby or by the Lease shall also be sent to Franchisor at 111 Sunset Avenue North #104, Edmonds, WA 98020 (Attn: Chief Executive Officer), or such other address as Franchisor shall specify by written notice to Landlord.
13. Under the Franchise Agreement, any lease for the location of a GoJoe Patrol Business is subject to Franchisor's approval with regards to the terms and conditions that affect Franchisor, and Franchisor expressly disclaims any other connotations either expressed or implied as to the other terms and conditions set forth in the Lease that are negotiated between Landlord and Franchisee. Accordingly, the Lease is contingent upon such approval, and Franchisor shall provide written notice to Landlord and Franchisee to evidence such approval, as applicable.

WITNESS the execution hereof under seal.

LANDLORD:

FRANCHISEE:

\_\_\_\_\_

\_\_\_\_\_

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Notary Public

My Commission expires: \_\_\_\_\_

My Commission expires: \_\_\_\_\_

**EXHIBIT E TO GOJOE PATROL FRANCHISE AGREEMENT**

**FORM OF NON-DISCLOSURE AND NON-COMPETITION AGREEMENT**

*(to be signed by franchisee and its personnel)*

**THIS NON-DISCLOSURE AND NON-COMPETITION AGREEMENT** (this “**Agreement**”) is made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_ (“**Franchisee**”), and \_\_\_\_\_, who is an owner, officer, director, manager, supervisor, or a person in a managerial position with, Franchisee (the “**Member**”).

**RECITALS:**

**WHEREAS**, GoJoe Patrol Franchising, LLC (“**Franchisor**”) owns a format and system (the “**System**”) relating to the establishment and operation of businesses that provide security services to commercial and residential customers utilizing approachable and well-trained personnel and distinctive patrol vehicles that establish a deterrent to criminals (each, a “**GoJoe Patrol Business**”).

**WHEREAS**, Franchisor identifies GoJoe Patrol Businesses by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, but not limited to, the mark “GOJOE PATROL®” and such other trade names, service marks, and trademarks as Franchisor may hereafter designate for use in connection with the System (the “**Marks**”);

**WHEREAS**, Franchisor and Franchisee have executed a GoJoe Patrol Franchise Agreement (“**Franchise Agreement**”) granting Franchisee the right to operate a GoJoe Patrol Business (the “**Business**”) within the following geographic area: \_\_\_\_\_ (the “**Territory**”) and to use the Marks in connection therewith under the terms and conditions of the Franchise Agreement;

**WHEREAS**, Member, by virtue of his or her position with Franchisee, will gain access to certain of Franchisor’s Confidential Information, as defined herein, and must therefore be bound by the same confidentiality and non-competition agreement that Franchisee is bound by.

**NOW THEREFORE, IN CONSIDERATION** of these premises, the conditions stated herein, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

**1. Confidential Information.** Member shall not, during the term of the Franchise Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, entity, association, or corporation any confidential information, knowledge, or know-how concerning the methods of operation of the business franchised thereunder which may be communicated to Member or of which Member may be apprised by virtue of Franchisee’s operation under the terms of the Franchise Agreement. Any and all information, knowledge, know-how, and techniques which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Member can demonstrate came to his or her attention before disclosure thereof by Franchisor; or which, at or after the time of disclosure by Franchisor to Franchisee, had become or later becomes a part of the public domain, through publication or communication by others.

**2. Covenants Not to Compete.**

(a) Member specifically acknowledges that, pursuant to the Franchise Agreement, and by virtue of his/her position with Franchisee, Member will receive valuable specialized training and confidential information, including information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the System.

(b) Member covenants and agrees that during the term of the Franchise Agreement

and Member's employment with, or ownership interest in Franchisee, except as otherwise approved in writing by Franchisor, Member shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity:

(1) Own, maintain, operate, engage in, grant a franchise to, advise, help, make loans to, lease property to or have any interest in, either directly or indirectly, any business that offers security services ("**Competing Business**"). During the term of the Franchise Agreement and Member's employment with, or ownership interest in Franchisee, there is no geographical limitation on this restriction; or

(2) Divert or attempt to divert any present or prospective business or customer to any Competing Business by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(c) Member covenants and agrees that during the Post-Term Period (defined below), except as otherwise approved in writing by Franchisor, Member shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity, own, maintain, operate, engage in, or have any interest in any Competing Business which business is, or is intended to be, located: (a) within the Territory plus the area formed by extending the boundary of the Territory by ten (10) miles in any direction; or (b) within the territory assigned to any then-existing GoJoe Patrol Business, plus the area formed by extending the boundaries of that territory by ten (10) miles in any direction. As used in this Agreement, the term "**Post-Term Period**" shall mean a continuous uninterrupted period of two (2) years from the date of: (a) a transfer of the Franchise Agreement or Member's transfer of his/her ownership interest in Franchisee; (b) expiration or termination of the Franchise Agreement (regardless of the cause for termination); (c) termination of Member's employment with Franchisee; and/or (d) a final order of a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to the enforcement of this Agreement; either directly or indirectly (through, on behalf of, or in conjunction with any persons or entity).

**3. Injunctive Relief.** Member acknowledges that any failure to comply with the requirements of this Agreement will cause Franchisor irreparable injury, and Member agrees to pay all costs (including without limitation reasonable attorneys' fees, court costs, discovery costs, and all other related expenses) incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Agreement.

**4. Severability.** All agreements and covenants contained herein are severable. If any of them, or any part or parts of them, shall be held invalid by any court of competent jurisdiction for any reason, then Member agrees that the court shall have the authority to reform and modify that provision in order that the restriction shall be the maximum necessary to protect Franchisor's and/or Member's legitimate business needs as permitted by applicable law and public policy. In so doing, Member agrees that the court shall impose the provision with retroactive effect as close as possible to the provision held to be invalid.

**5. Delay.** No delay or failure by Franchisor or Franchisee to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute a waiver of that or any other right provided herein, and no waiver of any violation of any terms and provisions of this Agreement shall be construed as a waiver of any succeeding violation of the same or any other provision of this Agreement.

**6. Choice of Law and Forum.** This Agreement and any claim or controversy arising out of, or relating to, rights and obligations of the parties under this Agreement and any other claim or controversy between the parties shall be governed by and construed in accordance with the laws of the state in which the Office Location is or was located without regard to conflicts of laws principles. The parties agree that, to the extent any disputes cannot be resolved directly between them, each party may file suit against the other party only in the federal or state court having jurisdiction where the Office Location is or was located. Each party consents to the personal jurisdiction of those courts over themselves and to venue in those courts.

7. **Third-Party Beneficiary.** Member hereby acknowledges and agrees that Franchisor is an intended third-party beneficiary of this Agreement with the right to enforce it, independently or jointly with Franchisee.

**IN WITNESS WHEREOF**, Franchisee and Member attest that each has read and understands the terms of this Agreement, and voluntarily signed this Agreement on the date first written above.

**FRANCHISEE**

**MEMBER**

\_\_\_\_\_

\_\_\_\_\_

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

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

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

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

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

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

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

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

**EXHIBIT F TO GOJOE PATROL FRANCHISE AGREEMENT**

**ACH AUTHORIZATION FORM**

**OFFICE LOCATION:** \_\_\_\_\_

**DEPOSITOR (NAME OR LEGAL ENTITY):** \_\_\_\_\_

The undersigned depositor ("Depositor") hereby authorizes GoJoe Patrol Franchising, LLC ("Franchisor") to initiate debit entries and credit correction entries to Depositor's checking or savings account indicated below and Depositor hereby authorizes the depository designated below ("Bank") to debit or credit such account pursuant to Franchisor's instructions. This authorization is to remain in full force and effect until 60 days after Franchisor has received written notification from Depositor of its termination.

**DEPOSITOR INFORMATION**

<b>Depositor Name:</b>
<b>Mailing Address:</b>
<b>City/ State/ Zip Code:</b>
<b>Telephone:</b>
<b>Email:</b>

**DEBITING BANK ACCOUNT INFORMATION**

<b>Bank Name:</b>
<b>City / State / Zip Code:</b>
<b>Branch:</b>
<b>Account Number to Debit:</b>
<b>Routing Number (9 digit #):</b>
<b>Account Name:</b>

The undersigned representative of Depositor represents and warrants to Franchisor and the Bank that the person executing this ACH Authorization Form is an authorized signatory on the account referenced above and all information regarding the account is true and accurate.

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

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

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

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

**EXHIBIT B**  
**DEVELOPMENT AGREEMENT**



**DEVELOPMENT AGREEMENT**

**DEVELOPER:**

**DEVELOPMENT AREA:**

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Exhibits

- A - DEVELOPMENT INFORMATION
- B - CURRENT FRANCHISE AGREEMENT

## GOJOE PATROL DEVELOPMENT AGREEMENT

This GoJoe Patrol Development Agreement (“**Agreement**”) is entered into by and between **GoJoe Patrol Franchising, LLC**, a Washington limited liability company (“**we**,” “**us**” or “**Franchisor**”) and the person(s) or entity identified on Exhibit A to this Agreement (“**you**” or “**Developer**”) as of the Effective Date indicated on the signature page of this Agreement.

### BACKGROUND

A. We and our affiliates have developed a proprietary system relating to the establishment and operation of businesses that provide security services to commercial and residential customers utilizing approachable and well-trained personnel and distinctive patrol vehicles that establish a deterrent to criminals (the “**System**”).

B. The distinguishing characteristics of the System include our standards, policies and procedures for: vehicles, uniforms and equipment for security personnel; office equipment and layout; operations, staffing and employee training; customer service; maintaining quality and consistency of service offering; information technology and software systems; sales, advertising, promotion, public relations, and social media; and copyrights and copyrighted materials (collectively the “**Proprietary Materials**”), all of which we may change, improve, and further develop from time to time.

C. We and our affiliates identify the System and the businesses operating under it (“**GoJoe Patrol Businesses**”) by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including the mark “GOJOE PATROL®” and such other trade names, service marks, and trademarks as we may designate in the future for use in connection with the System (the “**Marks**”).

D. You desire to be granted the opportunity, and we desire to grant to you the right, to develop a specified number of franchised GoJoe Patrol Businesses (collectively, the “**Franchised Businesses**” and individually, a “**Franchised Business**”) within a specified geographic area.

In recognition of all of the details noted above, the parties have decided to enter into this Agreement, taking into account all of the promises and commitments that they are each making to one another in this Agreement, and they agree as follows:

### 1 GRANT

1.1 Current Franchise Agreement. Prior to or simultaneously with signing this Agreement, we and you (or your Controlled Affiliate) signed the GoJoe Patrol Franchising, LLC Franchise Agreement referenced on Exhibit A, a fully executed copy of which is attached as Exhibit B (“**Current Franchise Agreement**”) pursuant to which you (or such Controlled Affiliate) will operate a Franchised Business. All capitalized terms used but not defined in this Agreement shall have the meanings set forth in the Current Franchise Agreement. A “**Controlled Affiliate**” means any corporation, limited liability company or other entity of which you or one or more of your owners owns more than fifty percent (50%) of the total authorized ownership interests, as long as you or such owner(s) have the right to control the entity’s management and policies.

1.2 Development Rights. We hereby grant to you (and/or any of your approved Controlled Affiliates), subject to the terms and conditions set forth in this Agreement, the right to develop Franchised Businesses at specific locations for an office (each an “**Office**”) to be designated in separate GoJoe Patrol Franchising, LLC Franchise Agreements (each a “**Franchise Agreement**”) pursuant to the schedule set forth in Exhibit A to this Agreement (the “**Development Schedule**”). Each Franchised Business developed pursuant to this Agreement shall have an Office located within the area designated on Exhibit A (the “**Development Area**”) and shall have a designated territory (“**Territory**”) in which it will offer security services to commercial and residential customers pursuant to each applicable Franchise Agreement. This Agreement is not a Franchise Agreement. It does not give you the right to operate GoJoe Patrol Businesses or use the System. This Agreement only gives you the opportunity to enter into Franchise Agreements for

the operation of Franchised Businesses in the Development Area. Each Franchised Business developed pursuant to this Agreement shall be established and operated in strict accordance with a separate Franchise Agreement. You have no right to use the Marks in connection with any business other than a Franchised Business operating under a license contained in a Franchise Agreement. We and our affiliates retain all rights not granted by this Agreement.

### 1.3 Limited Exclusivity and Development Area.

1.3.1 During the term of this Agreement, we and our affiliates will not operate, or license others to operate, a GoJoe Patrol Business that has an office or a territory located within your Development Area, provided that you are in compliance with the terms of this Agreement and any other agreements with us and our affiliates and you are current on all obligations due to us and our affiliates. You acknowledge that the development rights granted under this Agreement are not exclusive and that, except as expressly provided in this Section 1.3, you have no exclusive territorial rights, protected territory or other right to exclude, control or impose conditions on the location or development of GoJoe Patrol Businesses under the Marks, on any sales or distribution of products under the Marks, or on our (and our affiliates') business activities.

1.3.2 Notwithstanding the grant of the Development Area, we reserve the right to: (a) distribute products identified by the Marks in the Development Area through any method or channel of distribution other than the operation of a security services business including through the internet, wholesale, mail order and catalog; (b) operate, and license others to operate, during the term of this Agreement, businesses identified in whole or in part by the Marks that provide security services outside of the Development Area; (c) operate, and license others to operate, after this Agreement terminates or expires, businesses identified in whole or in part by the Marks that provide security services at any location, including within the Development Area; (d) operate, and license others to operate, at any location, including locations inside the Development Area, during or after the term of this Agreement, any type of business that is not identified in whole or in part by the Marks and that does not offer security services; (e) develop and own other franchise systems for the same or similar services using trade names and trademarks other than the Marks; (f) purchase, be purchased by, merge or combine with, businesses that directly compete with GoJoe Patrol Businesses; (g) provide security services, or permit a third party to provide security services, to House Account customers in the Development Area if you elect not to service their accounts or if you do not have a Franchised Business that can service their accounts; and (h) provide security services, or permit a third party to provide security services, to customers with whom we or they have a relationship if the customer makes a request to have us or the third party provide security services in the Development Area. **"House Accounts"** are national or regional account arrangements we have with customers that are serviced by us or our franchisees. We reserve all rights to use and license the System and the Marks other than those expressly granted under this Agreement.

1.4 No Subfranchising Rights. This Agreement does not give you any right to franchise or subfranchise others to operate GoJoe Patrol Businesses. Only you (and/or your Controlled Affiliates) may develop, open, and operate the Franchised Businesses contemplated by this Agreement and only pursuant to signed Franchise Agreements. Although you may reference your rights and obligations under this Agreement in discussions with landlords, employees, and others with whom you may deal in connection with the Franchised Businesses, this Agreement does not grant you any rights to use, or authorize others to use, the Marks in any manner. Your right to use the Marks arises only under the Franchise Agreements. We or our affiliates own all rights to the Marks and your use of the Marks in any way, other than pursuant to signed Franchise Agreements, is an infringement of our (and our affiliates') rights and a breach of this Agreement.

1.5 Forms of Agreement. You acknowledge that, over time, we have entered, and will continue to enter, into agreements with other franchisees that may contain provisions, conditions and obligations that differ from those contained in this Agreement. The existence of different forms of agreement and the fact that we and our affiliates and other franchisees may have different rights and obligations does not affect the duties of the parties to this Agreement to comply with the terms of this Agreement.

1.6 Best Efforts. You agree that you will at all times faithfully, honestly and diligently perform your obligations under this Agreement, that you will continuously exert your good faith and best efforts to promote and enhance the Franchised Businesses, and that you will not engage in any other business or activity that may conflict with your obligations under this Agreement, except the operation of other GoJoe Patrol Businesses authorized by us.

## 2 FEES

2.1 Development Fee. When you sign this Agreement, you must pay us a development fee in the amount set forth in Exhibit A, which shall be calculated as the sum of Eight Thousand Dollars (\$8,000) multiplied by the number of Franchised Businesses you agree to develop under the Development Schedule (the “**Development Fee**”). The Development Fee is fully earned by us when this Agreement is signed and is non-refundable even if you fail to develop any Franchised Businesses according to the Development Schedule.

2.2 Initial Franchise Fees. The schedule of initial franchise fees that you will pay under the Current Franchise Agreement and subsequent Franchise Agreements is set forth on Exhibit A. You and your Controlled Affiliates must pay the initial franchise fee payable under the Current Franchise Agreement and each additional Franchise Agreement when you or they sign the applicable Franchise Agreement.

## 3 DEVELOPMENT SCHEDULE

3.1 Development Schedule. To maintain your rights under this Agreement, you (and/or your Controlled Affiliates) must: (a) sign a Franchise Agreement for each of the agreed-upon number of Franchised Businesses by the dates specified in the Development Schedule, and (b) have open and operating within the Development Area the agreed-upon number of Franchised Businesses by the dates specified in the Development Schedule. You (or a Controlled Affiliate) will locate, open and operate each Franchised Business under a separate Franchise Agreement with us. The Franchise Agreement that you (or your Controlled Affiliate) will sign for each Franchised Business will be our then-current form of Franchise Agreement any or all of the terms of which may differ substantially from the terms contained in the Current Franchise Agreement, except that the initial franchise fee will reflect the fee structure set forth in Exhibit A. To retain your rights under this Agreement, you must operate each Franchised Business that you open pursuant to this Agreement continuously throughout this Agreement’s term in full compliance with the applicable Franchise Agreement.

### 3.2 Site Selection

3.2.1 We will provide you with general site selection criteria for GoJoe Patrol Businesses and, as you may request, a reasonable amount of consultation with respect to the site selection process. You will be solely responsible for locating and obtaining a suitable site for the Office for each Franchised Business that you develop, which we have the right to accept or reject at our sole discretion. Before entering into a lease agreement or other binding agreement to acquire a proposed Office site, you must submit written information to us regarding the proposed site according to our System standards or as we reasonably request and verify to us in writing that the proposed site meets our site selection criteria (“**Site Application**”). A site visit is not required but may be conducted at our discretion and expense. If you request a site visit, then you agree to pay all expenses associated with the site visit, including the travel expenses and wages of our personnel. We will approve or reject the proposed site within fifteen (15) days of the receipt of your completed Site Application. If we reject the proposed site, then you must select an alternate site and repeat the site selection process until we have approved a proposed site for your Office. You acknowledge and agree that our approval of a site does not constitute a representation or warranty of any kind, express or implied, as to the suitability of the site for an Office or for any other purpose. Our approval of the site indicates only that we believe that a site falls within our acceptable site selection criteria as of that time.

3.2.2 You agree that your decision to build out an Office at a site selected by you is based solely on your own independent investigation of the suitability of that site for your Office. We assume

no liability or responsibility for: (a) evaluation of the soil of the site for hazardous substances; (b) inspection of any structure at the site for asbestos or other toxic or hazardous materials; (c) compliance with the Americans with Disabilities Act; or (d) compliance with any other applicable law. It is your sole responsibility to obtain satisfactory evidence and/or assurances that the site and any structures on the site are free from environmental contamination and in compliance with the requirements of the Americans with Disabilities Act.

3.3 Execution of Franchise Agreements. Before executing any binding letter of intent, lease, purchase agreement or other document by which you would commit to occupy or acquire a site for a Franchised Business, you must execute and deliver to us copies of our then-current standard form of Franchise Agreement with respect to such Franchised Business (unless the Franchised Business is the first Franchised Business that you develop under this Agreement, which will operate under the Current Franchise Agreement), pay the initial franchise fee to us in accordance with the terms of such Franchise Agreement, and we must countersign such Franchise Agreement.

## 4 YOUR ORGANIZATION, MANAGEMENT AND TRAINING

### 4.1 Your Organization

4.1.1 If you are a legal entity such as a corporation, a limited liability company or a partnership, you make the following representations and warranties: (a) you are duly organized and validly existing under the laws of the state of your formation; (b) you are qualified to do business in the state or states in which the Development Area is located; (c) execution of this Agreement and the development and operation of the Franchised Businesses is permitted by your governing documents; and (d) unless waived in writing by us, your Articles of Incorporation, Articles of Organization or written partnership agreement shall at all times provide that your activities are limited exclusively to the development and operation of GoJoe Patrol Businesses.

4.1.2 If you are an individual, or a partnership comprised solely of individuals, you make the following additional representations and warranties: (a) each individual has executed this Agreement; (b) each individual shall be jointly and severally bound by, and personally liable for the timely and complete performance and a breach of, each and every provision of this Agreement; and (c) notwithstanding any transfer to a business entity, each individual shall continue to be jointly and severally bound by, and personally liable for the timely and complete performance and breach of, each and every provision of this Agreement.

4.2 Ownership Interests and Continuity Group. If you are a business entity, all interests in you are owned as set forth in Exhibit B of the Current Franchise Agreement. You must comply with Section 6 prior to any change in ownership interests and must sign addenda to Exhibit B of the Current Franchise Agreement as changes occur in order to ensure the information contained in Exhibit B of the Current Franchise Agreement is true, accurate and complete at all times. Exhibit B of the Current Franchise Agreement also lists those persons who comprise your “**Continuity Group**.” The parties acknowledge and agree that it is their intent that the members of the Continuity Group include: (a) all holders of a legal or beneficial interest of five percent (5%) or more (“**5% Owners**”) in your entity; (b) if you are a limited partnership, all 5% Owners of your general partner; and (c) all 5% Owners of a corporation or limited liability company that owns a controlling interest in your entity. In the event of any change in the Continuity Group or in the ownership interests of any member of the Continuity Group, you must sign addenda to Exhibit B of the Current Franchise Agreement to reflect the change. If you are a corporation, the Continuity Group shall at all times own at least sixty-six percent (66%) of your voting securities; if you are a limited liability company, the Continuity Group shall at all times own at least sixty-six percent (66%) of your membership interests; and if you are any other type of business entity, the Continuity Group shall at all times have at least a sixty-six percent (66%) interest in your operating profits and losses and hold at least sixty-six percent (66%) of your ownership interests.

4.3 Governing Documents. Upon request by us, you shall promptly deliver to us, as applicable, true and complete copies of the articles or certificate of incorporation, partnership agreement, bylaws,

subscription agreements, buy-sell agreements, voting trust agreements and all other documents relating to your ownership, organization, capitalization, management and control and all amendments thereto. When any of these governing documents are modified or changed, you promptly shall provide copies to us. If you are a corporation, then you shall maintain stop-transfer instructions against the transfer on the records of any voting securities, and each stock certificate of the corporation shall have conspicuously endorsed upon its face the following statement: "Any assignment or transfer of this stock is subject to the restrictions imposed on assignment by the GoJoe Patrol Franchising, LLC Development Agreement and Franchise Agreement(s) to which the corporation is a party." If you are a publicly held corporation, then these requirements shall apply only to the stock owned by your Continuity Group. If you are a limited liability company, then each membership or management certificate shall have conspicuously endorsed upon its face the following statement: "Any assignment or transfer of an interest in this limited liability company is subject to the restrictions imposed on assignment by the GoJoe Patrol Franchising, LLC Development Agreement and Franchise Agreement(s) to which the limited liability company is a party." If you are a partnership, then your written partnership agreement shall provide that ownership of an interest in the partnership is held, and that further assignment or transfer thereof, is subject to all restrictions imposed on assignment by this Agreement.

4.4 Multi-Unit Management Training. Prior to opening your second Franchised Business, your Operating Principal (as defined in the Current Franchise Agreement) and one of your owners if your Operating Principal is not an owner must attend and successfully complete our GoJoe Patrol multi-unit training program to our satisfaction. The training program consists of up to three (3) days of instruction at a GoJoe Patrol Business, our headquarters in Spokane, Washington and/or another training site that we designate. We may increase or reduce the required training based on our assessment of an individual's prior experience.

## **5 COVENANTS**

### **5.1 Confidentiality**

5.1.1 You acknowledge and agree that: (a) we own all right, title and interest in and to the System; (b) the System includes trade secrets and confidential and proprietary information and know-how that gives us a competitive advantage; (c) we have taken all measures appropriate to protect the trade secrets and the confidentiality of the proprietary information and know-how of the System; (d) all material or other information now or hereafter provided or disclosed to you regarding the System is disclosed in confidence; (e) you have no right to disclose any part of the System to anyone who is not your employee; (f) you will disclose to your employees only those parts of the System that an employee needs to know; (g) you will have a system in place to ensure that your employees keep confidential our trade secrets and confidential and proprietary information, and, if requested by us, you shall obtain from those of your employees designated by us an executed confidentiality and non-disclosure agreement in the form prescribed by us; (h) by entering into this Agreement, you do not acquire any ownership interest in the System; and (i) your use or duplication of the System or any part of the System in any other business, or disclosure of any part of the System to others for use or duplication in any other business, would constitute an unfair method of competition, for which we would be entitled to all legal and equitable remedies, including injunctive relief, without posting a bond.

5.1.2 You shall not, during the term of this Agreement or at any time thereafter, communicate or disclose any trade secrets or confidential or proprietary information or know-how of the System to any unauthorized person, or do or perform, directly or indirectly, any other acts injurious or prejudicial to any of the Marks or the System. Any and all information, knowledge, know-how and techniques, including all drawings, materials, equipment, specifications, methods, techniques and other data that we or our affiliates designate as confidential shall be deemed confidential for purposes of this Agreement.

## 5.2 Restrictions On Competition

5.2.1 You acknowledge and agree that: (a) pursuant to this Agreement, you will have access to valuable trade secrets, specialized training and other confidential information from us and/or our affiliates regarding the development and operation of GoJoe Patrol Businesses, security services, security personnel recruitment and retention, market and operations research, advertising and marketing plans and strategies, purchasing, sales and marketing methods and techniques owned by us and our affiliates; (b) the know-how regarding the System and the opportunities, associations and experience acquired by you pursuant to this Agreement are of substantial value; (c) in developing the System, we and our affiliates have made substantial investments of time, effort, and money; (d) we would be unable adequately to protect the System and its trade secrets and confidential and proprietary information against unauthorized use or disclosure and would be unable adequately to encourage a free exchange of ideas and information among operators of GoJoe Patrol Businesses if franchisees were permitted to engage in the activities described in this Section 5.2 or to hold interests in the businesses described in this Section 5.2; and (e) the restrictions on your right to hold interests in, or perform services for, the businesses described in this Section 5.2 will not unduly limit your activities.

5.2.2 You covenant and agree that, except as we otherwise approve in writing, during the term of this Agreement, and for a continuous period of two (2) years following the expiration, transfer or termination of this Agreement, you will not, either directly or indirectly, for yourself or through, on behalf of, or in conjunction with any person or legal entity:

5.2.2.1 Own, maintain, operate, engage in, grant a franchise to, advise, help, make loans to, lease property to or have any interest in, either directly or indirectly, any business that offers security services ("**Competing Business**"). During the term of this Agreement, there is no geographical limitation on this restriction. Following the expiration, transfer or termination of this Agreement, this restriction shall apply to any Competing Business offering services to customers located: (a) within the Development Area, plus the area formed by extending the boundary of the Development Area by ten (10) miles in any direction; or (b) within the Territory assigned to any then-existing GoJoe Patrol Business, plus the area formed by extending the boundaries of that Territory by ten (10) miles in all directions; or

5.2.2.2 Divert or attempt to divert any present or prospective business or customer to any Competing Business by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

5.3 Exception for Publicly Traded Stock. The restrictions contained in Section 5.2 will not apply to ownership of less than a five percent (5%) beneficial interest in the equity securities of any publicly-held corporation.

5.4 Owners and Employees. At our request, you must obtain signed agreements similar in substance to this Section 5 (including agreements applicable upon termination of a person's relationship with you) from your Operating Principal, any individual who attends our training programs and your officers, directors, and owners. Each agreement required by this Section 5.4 must be in a form we approve and specifically identify us as a third party beneficiary with the independent right to enforce the agreement. Our current form of Non-disclosure and Non-competition Agreement is attached to the Current Franchise Agreement as Exhibit F. It is your responsibility to have this form reviewed and approved (or modified subject to our prior written approval) by an attorney licensed in your jurisdiction.

## 5.5 Enforcement

5.5.1 We have the right, in our sole discretion, to reduce the scope of any restriction in Section 5.2 by giving you written notice and you agree to comply with any covenant so modified, which shall be fully enforceable notwithstanding the provisions of Section 9.

5.5.2 You agree that the existence of any claims you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of this Section 5.

5.5.3 You acknowledge that your violation of the terms of this Section 5 would result in irreparable injury to us for which no adequate remedy at law may be available, and you accordingly consent to the issuance of an injunction prohibiting any conduct by you in violation of the terms of this Section 5. Injunctive relief will be in addition to any other remedies we may have.

5.5.4 If you or any other person bound by this Section 5 fails or refuses to abide by any of the foregoing restrictions on competition, and we obtain enforcement in any legal proceeding, the obligations under the breached restriction will continue in effect for a period ending two (2) years after the date the person begins to comply with the order enforcing the restriction.

## 6 TRANSFER

6.1 By Us. We have the right to transfer or assign this Agreement or any part of our rights or obligations under this Agreement to any person or legal entity. You agree that we will have no liability after the effective date of the transfer or assignment for the performance of any obligations under this Agreement. You acknowledge that we can sell our assets; sell securities in a public offering or in a private placement; merge with, acquire, or be acquired by another company; or undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring, without restriction and without affecting your obligations under this Agreement.

6.2 By You. You acknowledge that the rights and duties set forth in this Agreement are personal to you and that we have granted these rights in reliance on your business skill, financial capacity, and personal character (or, if you are a business entity, on the business skill, financial capacity, and personal character of your owners and management). Accordingly, neither you nor any immediate or remote successor to any interest in this Agreement, nor any individual, partnership, corporation, or other legal entity which directly or indirectly owns any interest in you, will sell, assign, transfer, convey, pledge, encumber or give away any direct or indirect interest in you or in this Agreement without our prior written consent, which will not be unreasonably withheld. You must provide written notice to us ("**Transfer Notice**") of any proposed transfer ("**Proposed Transfer**") at least ninety (90) days before the Proposed Transfer is to take place, which must include all information and documentation relating to the terms of the Proposed Transfer and any other information and/or documents that we reasonably request. Notwithstanding the foregoing, you may grant a security interest in, or otherwise encumber certain assets of the Franchised Businesses, excluding the Franchise Agreements, in connection with obtaining financing for the development and/or operation of the Franchised Businesses or equipment leasing, if such financing satisfies our requirements, which may include execution of agreements by us, you and your owners and your secured creditor, in a form satisfactory to us, acknowledging such creditor's obligations to be bound by the terms of this Section 6.

6.3 Our Right of First Refusal. We have the right, exercisable within forty-five (45) days after our receipt of your Transfer Notice (other than a Proposed Transfer to immediate family members of your owners who meet our operational and financial criteria for new franchisees), to purchase the interest proposed to be transferred. The Transfer Notice must include a true and complete copy of the term sheet, letter of intent, proposed purchase agreement, assignment document, or any other document necessary to implement the Proposed Transfer, and the Proposed Transfer must not be subject to financing or any other contingencies. Our forty-five (45) day period for determining whether or not to exercise our right of first refusal will not begin until the transferor has provided all information and documentation that we require in a form and substance satisfactory to us and we provide written notice to you that this requirement has been satisfied. We may assign this right of first refusal to an affiliate or a third party, including to another franchisee, in our sole discretion. If we desire to exercise our right of first refusal, then we will do so by providing written notice (the "**Purchase Notice**") to the transferor, as follows:

6.3.1 If the Proposed Transfer is to be made pursuant to a sale, we may purchase the interest proposed to be transferred on the same financial terms and conditions offered by the third party ("**Offeror**"). Closing on our purchase will occur within sixty (60) days after the date of the transferor's receipt

of the Purchase Notice. However, if the consideration, terms, and/or conditions offered by the Offeror are such that we may not reasonably be required to furnish the same consideration, terms, and/or conditions, then we may purchase the interest proposed to be sold for the reasonable equivalent in cash (“**Cash Equivalent**”). If, within thirty (30) days of the transferor’s receipt of the Purchase Notice, the parties cannot agree as to the Cash Equivalent, an independent appraiser will be appointed by mutual agreement, who will determine the Cash Equivalent, at our expense. If the parties cannot agree on an independent appraiser within fifteen (15) days, then each party will select an independent appraiser within the following three (3) days and those two (2) appraisers will mutually select a third independent appraiser and each of the three (3) independent appraisers will submit their written determination of the Cash Equivalent, and their collective appraisal fees and costs will be divided evenly between the parties. The Cash Equivalent determination of the appraiser, or of the three (3) appraiser panel, as the case may be, will be binding. We may purchase the interest proposed to be transferred at the Cash Equivalent determined by the appraiser if one (1) appraiser is used or the mean value if three (3) appraisers are used. Closing on the purchase will occur within thirty (30) days after our written notice to the transferor of the appraiser’s, or appraisers, as the case may be, determination of the Cash Equivalent.

6.3.2 If the Proposed Transfer is to be made by gift, we may purchase the interest proposed to be transferred to the gift recipient (“**Gift**”) for its fair market value in cash (“**Gift Value**”). If, within thirty (30) days of the transferor’s receipt of the Purchase Notice, the parties cannot agree as to the Gift Value, an independent appraiser will be appointed by mutual agreement, who will determine the Gift Value, at our expense. If the parties cannot agree on an independent appraiser within fifteen (15) days thereafter, then each party will select an independent appraiser within the following three (3) days and those two (2) appraisers will mutually select a third independent appraiser and each of the three (3) independent appraisers will submit their written determination of the Gift Value, and their collective appraisal fees and costs will be divided evenly between the parties. The Gift Value determination of the appraiser, or of the three (3) appraiser panel, as the case may be, will be binding. We may purchase the interest proposed to be transferred at the Gift Value determined by the appraiser if one (1) appraiser is used or the mean value if three (3) appraisers are used. Closing on the purchase will occur within thirty (30) days after our written notice to the transferor of the appraiser’s, or appraisers’, as the case may be, determination of the Gift Value.

6.3.3 Our failure to exercise our right of first refusal shall not constitute approval of the Proposed Transfer nor shall it constitute a waiver of any other provision of this Section 6 with respect to a Proposed Transfer. If we do not exercise our right of first refusal, then you or your owners may complete the transfer to such Offeror or Gift recipient pursuant to and on the exact terms of the Transfer Notice, subject to our consent to the Proposed Transfer as provided in Section 6.2, and provided further that the transfer to the Offeror or Gift recipient is completed within sixty (60) days after receipt of our written notice of our decision not to exercise our right of first refusal.

6.3.4 Any material change in the terms of a Proposed Transfer will constitute a new Proposed Transfer pursuant to this Section 6.3 and is subject to the same rights of first refusal by us as in the case of a Proposed Transfer initially submitted to us. Any failure to complete the Proposed Transfer within sixty (60) days after receipt of our express, written notice of our decision not to exercise our right of first refusal shall be considered a material change in the terms of the Proposed Transfer.

6.4 Conditions of Our Consent. If we elect not to exercise our right of first refusal under Section 6.3, then the proposed transferor may complete the transfer after obtaining our written consent as required under Section 6.2. We may withhold our consent on any reasonable grounds, or may give our consent subject to reasonable conditions, which may include the following:

6.4.1 That all of your accrued monetary obligations to us and our affiliates (whether arising under this Agreement or otherwise) and all other outstanding obligations related to the Franchised Businesses (including bills from suppliers, taxes, judgments and any required governmental reports, returns, affidavits or bonds) have been satisfied or, in our reasonable judgment, adequately provided for. We reserve the right to require that a reasonable sum of money be placed in escrow to ensure that all of these obligations are satisfied;

6.4.2 That you are not then in material default of any provision of this Agreement or any other agreement between you (and/or your Controlled Affiliates) and us (and/or our affiliates), you and your Controlled Affiliates are in good standing as a franchisee with us and our affiliates, are not in default beyond the applicable cure period under any real estate lease, equipment lease or financing instrument relating to any Franchised Business and are not in default beyond the applicable cure period with any Key Supplier to any Franchised Business;

6.4.3 That the sales price shall not be so high, in our reasonable judgment, as to jeopardize the ability of the transferee to develop, maintain, operate and promote the Franchised Businesses and meet financial obligations to us, third party suppliers and creditors. Our decision with respect to a proposed transfer shall not create any liability on the part of us: (a) to the transferee, if we approve the transfer and the transferee experiences financial difficulties; or (b) to the transferor or the proposed transferee, if we reject the transfer pursuant to this Section 6 or for other legitimate business purposes. We, without any liability to the transferor or the proposed transferee, have the right, in our sole discretion, to communicate and counsel with the transferor, you, and the proposed transferee regarding any aspect of the proposed transfer;

6.4.4 That the transferor executes a general release, in a form satisfactory to us, of any and all claims against us, our affiliates, and their respective past, present, and future officers, directors, shareholders, and employees, in their corporate and individual capacities;

6.4.5 That the transferee (and if the transferee is a corporation, partnership, or limited liability company, then such owners of a beneficial interest in the transferee as we may request) enter into a written assignment, in a form satisfactory to us, assuming and agreeing to discharge all of your obligations under this Agreement; or, at our option, enter into our then current form of Development Agreement;

6.4.6 If the transferee is an existing GoJoe Patrol developer or franchisee, that the transferee is not in default under its agreements with us, its landlords, lenders and its suppliers and has a good record of customer service and compliance with our operating standards;

6.4.7 That the transferee, whether or not an existing GoJoe Patrol developer or franchisee, demonstrates to our satisfaction that he or she meets (or, if the transferee is a business entity, that its owners and management team meet) our educational, managerial, and business standards; possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to conduct the business contemplated hereunder (as may be evidenced by prior related business experience or otherwise); has the ability to obtain all required licenses and permits to develop and operate the Franchised Businesses; and has adequate financial resources and capital to fulfill your obligations under this Agreement in a timely manner;

6.4.8 That the transferor pays a transfer fee in the amount of twenty-five percent (25%) of our then-current development fee for each development option remaining under this Agreement or such greater amount as is required to reimburse us for our reasonable expenses associated with reviewing the application for transfer including legal and accounting fees; however, the transfer fee will be waived if the proposed transferee: (a) has been a franchisee of another GoJoe Patrol Business for at least three (3) years and is in good standing with us; (b) has managed a franchised or company-operated GoJoe Patrol Business for at least three (3) years; (c) is a member of an owner's immediate family that meets the criteria for a new franchisee; or (d) will own less than a twenty percent (20%) ownership interest in you, provided that after the transfer the Continuity Group retains at least a sixty-six percent (66%) ownership interest in you. If the transaction involves one or more Franchise Agreements in addition to this Agreement, the transferor must also pay the transfer fee specified in each Franchise Agreement in the transaction;

6.4.9 That the transferee's Operating Principal (who has not previously completed our training program) complete any training programs then in effect for new franchisees at a cost of Five Thousand Dollars (\$5,000) to be paid by the transferee.

6.5 Transfers to an Entity Wholly Owned by You. If you desire to transfer this Agreement to a corporation or limited liability wholly owned by you, where your ownership and management will not change, then the requirements of Section 6.2 shall apply to such a transfer; however, you will not be required to pay a transfer fee. Our consent also will be conditioned on the following: (a) the entity must be newly organized; (b) prior to the transfer, we must receive a copy of the documents specified in Section 4.3 and the transferee shall comply with the remaining provisions of Section 6; and (c) you must own all voting securities of the newly formed corporation (or membership interests of the newly formed limited liability company) or, if you are owned by more than one individual, each person shall have the same proportionate ownership interest in the corporation (or the limited liability company) as prior to the transfer.

6.6 Death, Incapacity or Bankruptcy. If you or any owner dies, becomes incapacitated, or enters bankruptcy proceedings, then that person's executor, administrator, personal representative, or trustee must apply to us in writing within three (3) months after the event (death, declaration of incapacity, or filing of a bankruptcy petition) for consent to transfer the person's interest. The transfer will be subject to the provisions of this Section 6, as applicable; however, you will not be required to pay a transfer fee. For purposes of this section, "incapacity" means any physical or mental infirmity that will prevent the person from performing his or her obligations under this Agreement (a) for a period of thirty (30) or more consecutive days, or (b) for sixty (60) or more total days during a calendar year. In the case of transfer by bequest or by intestate succession, if the heirs or beneficiaries are unable to meet the conditions of transfer set forth in Section 6.4, then the executor may transfer the decedent's interest to another successor that we have approved, subject to all of the terms and conditions for transfers contained in this Agreement. If an interest is not disposed of under this Section 6.6 within six (6) months after the date of death or appointment of a personal representative or trustee, then we can terminate this Agreement under Section 7.2.

6.7 Securities Offering. If you or any owner desires to offer securities in an offering that does not require registration under any federal or state securities law, the offering will be subject to all of the conditions of this Section 6, including our right of first refusal. All materials required for the offering by federal or state law must be submitted to us for review and our prior, express, written consent before use. No offering may imply, by use of the Marks or otherwise, that we are participating in underwriting, issuing, or offering the securities. Our review of the offering materials will be limited solely to the subject of the relationship between you and us. All participants in the offering must fully indemnify us in connection with the offering. For each proposed offering, we may require you to pay, in addition to the transfer fee under Section 6.4, a non-refundable fee of Ten Thousand Dollars (\$10,000) or such greater amount as is required to reimburse us for our reasonable costs and expenses associated with reviewing the proposed offering. You must give us written notice at least thirty (30) days before the commencement date of any offering for which we have completed our review and provided our consent to use of the offering materials.

6.8 Nonconforming Transfers Void. Any purported assignment or transfer that is not in compliance with this Section 6 will be null and void and will constitute a material breach of this Agreement, for which we may terminate this Agreement without opportunity to cure pursuant to Section 7.2 below. Our consent to a transfer will not constitute a waiver of any claims we may have against the transferor, nor will it be deemed a waiver of our right to demand exact compliance by the transferor, transferee or you with any of the terms of this Agreement.

## **7 TERM AND TERMINATION**

7.1 Term. The term of this Agreement begins on the Effective Date and expires on the earlier of the date that you open the final Franchised Business to be developed under this Agreement or the opening deadline for that business as set forth in the Development Schedule.

7.2 Termination. We may terminate this Agreement and your right to develop Franchised Businesses within the Development Area (other than those Franchised Businesses for which we and you (or your Controlled Affiliates) already have signed Franchise Agreements) at any time, effective upon delivery to you of written notice of termination, if:

7.2.1 You fail to satisfy your development obligations under the Development Schedule or any other obligation under this Agreement, which defaults you have no right to cure;

7.2.2 You fail to pay when due any amount owed to us or our affiliates, any lender that has provided financing under an arrangement with us, any creditor or supplier of a Franchised Business or any taxing authority for federal state or local taxes (other than amounts being bona fide disputed through appropriate proceedings), and you do not correct such failure within five (5) days after written notice is delivered to you;

7.2.3 Any breach or event of default occurs under the Current Franchise Agreement or any Franchise Agreement between us and you (or your Controlled Affiliates) which permits us to terminate such agreement, regardless of whether we in fact terminate the agreement; or

7.2.4 We terminate the Current Franchise Agreement or any other Franchise Agreement between us and you (or your Controlled Affiliates) for a Franchised Business, regardless of where it is located, in compliance with its terms.

### 7.3 Other Remedies Upon Default.

7.3.1 In addition to and without limiting our other rights and remedies under this Agreement, upon the occurrence of any of the events that give rise to our right to terminate this Agreement, we may, at our sole option and upon delivery of written notice to you, elect to take any or all of the following actions without terminating this Agreement:

7.3.1.1 temporarily suspend your rights to develop additional Franchised Businesses in any part of the Development Area;

7.3.1.2 temporarily or permanently reduce the size of the Development Area, in which event the restrictions on us and our affiliates under Section 1.3 will not apply in the geographic area that is no longer part of the Development Area and we and our affiliates may engage, and authorize third parties to engage, in any business activities we or they deem appropriate, whether under the Marks or other trademarks, within that geographic area, including establishing and operating (and granting rights to others to establish and operate) GoJoe Patrol Businesses located in that geographic area; and/or

7.3.1.3 extend the time of the Development Schedule for any period of time that we determine.

7.3.2 Our exercise of our rights under this Section 7.3 will not be a defense for you to our enforcement of any other provision of this Agreement or waive or release you from any of your other obligations under this Agreement. Our exercise of these rights will not constitute an actual or constructive termination of this Agreement, nor will it be our sole or exclusive remedy for your default. If we exercise any of our rights under this Section 7.3, then we may thereafter terminate this Agreement without providing you any additional corrective or cure period, unless the default giving rise to our right to terminate this Agreement has been cured to our reasonable satisfaction.

7.4 Effect of Expiration or Termination. Upon expiration or termination of this Agreement (regardless of the reason for termination):

7.4.1 Any and all rights granted to you under this Agreement will immediately terminate; however, you will not be relieved of any of your obligations, debts or liabilities under this Agreement, including any debts, obligations or liabilities which have accrued before such termination.

7.4.2 You and your Controlled Affiliates will have no further rights to develop and open Franchised Businesses in the Development Area, except that you (and your Controlled Affiliates) may develop and open any Franchised Businesses for which you (or your Controlled Affiliates) have executed

Franchise Agreements prior to the date of expiration or termination of this Agreement and continue to operate Franchised Businesses that are open and operating as of the date this Agreement expires or terminates.

7.4.3 We and our affiliates will have the right to operate, and authorize others to operate, GoJoe Patrol Businesses located within the Development Area and continue to engage, and grant to others the right to engage, in any activities that we (and they) desire within the Development Area without any restrictions whatsoever, subject only to your (and/or your Controlled Affiliates') rights under existing Franchise Agreements.

7.4.4 We will retain the Development Fee payable pursuant to Section 2.1 of this Agreement.

7.5 No Waiver. Termination of this Agreement by us shall not constitute an election of remedies by us. The exercise of the rights granted under this Section 7 are in addition to, and not in lieu of, any and all other rights and remedies available to us at law, in equity or otherwise, including the right to an injunction as set forth in Section 5.5.3, all of which are cumulative.

## **8 INCORPORATION OF OTHER TERMS**

Sections 21 (Independent Contractor and Indemnification), 22 (Approval and Waivers), 23 (Force Majeure), 24 (Notices), 26 (Disputes), and 27 (Severability and Construction) of the Current Franchise Agreement are incorporated by reference in this Agreement and will govern all aspects of this Agreement and our and your relationship as though fully restated within the text of this Agreement.

## **9 ENTIRE AGREEMENT**

The parties acknowledge that each element of this Agreement is essential and material and that, except as otherwise provided in this Agreement, the parties shall deal with each other in good faith. This Agreement, the incorporated sections of the Current Franchise Agreement, and the attachments and exhibits to this Agreement (which are incorporated herein by this reference as though fully set forth), constitute the entire, full and complete agreement between the parties concerning the matters covered in this Agreement, and supersede any and all prior or contemporaneous negotiations, discussions, understandings or agreements. There are no other representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Agreement other than those set forth in this Agreement and in the attachments. No obligations or duties that contradict or are inconsistent with the express terms of this Agreement may be implied into this Agreement. No amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed in writing. Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim any representation made in our Franchise Disclosure Document that we provided to you.

[Signatures follow on next page]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the Effective Date.

**FRANCHISOR:**  
**GOJOE PATROL FRANCHISING, LLC**

**DEVELOPER: If a corporation, partnership, or limited liability company, print name of business entity on the line below:**

\_\_\_\_\_

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

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

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

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

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

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

Notice Address:  
7011 E Trent Avenue, #103  
Spokane Valley, Washington 99212  
Attn: Chief Executive Officer

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

**EFFECTIVE DATE:** \_\_\_\_\_

**If Developer is one or more individuals:**

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

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

**EXHIBIT A TO GOJOE PATROL DEVELOPMENT AGREEMENT**

**DEVELOPMENT INFORMATION**

1. **Developer:** \_\_\_\_\_
2. **Effective Date of the Current Franchise Agreement:** \_\_\_\_\_
3. **Development Fee:** [\$8,000 x the number of Franchised Businesses to be developed] \_\_\_\_\_
4. **Development Area:** \_\_\_\_\_  
\_\_\_\_\_
5. **Development Schedule:** You agree to sign Franchise Agreements for and to open \_\_\_\_\_  
(    ) new Franchised Businesses within the Development Area (including the Franchised Business governed by the Current Franchise Agreement) according to the following Schedule:

Franchise Agreement To Be Executed By (Date)	Franchised Business Opening Deadline	Cumulative Minimum Number Of New Franchised Businesses To Be Open And Operating No Later Than the Opening Deadline (in Previous Column)

6. **Initial Franchise Fees.** The initial franchise fee due under the Franchise Agreements for the Franchised Businesses developed under this Agreement are set forth in the following table. (Developer will be exempt from the \$300 per additional 10,000 population fee applicable to individual territory franchisees.)

Initial Franchise Fee	Franchised Business Nos.
\$37,000	1st Franchised Business under Current Franchise Agreement
\$32,000	2nd through 4th Franchised Businesses
\$28,000	5th and additional Franchised Businesses

INITIAL

GoJoe Patrol Franchising, LLC: \_\_\_\_\_

Developer: \_\_\_\_\_

**EXHIBIT B TO GOJOE PATROL DEVELOPMENT AGREEMENT**

**ATTACH COPY OF FULLY EXECUTED CURRENT FRANCHISE AGREEMENT**

**EXHIBIT C**

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

**LIST OF STATE ADMINISTRATORS**

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

<p><b>CALIFORNIA</b>          Commissioner of Financial Protection and Innovation          Department of Financial Protection and Innovation          320 West Fourth Street, Suite 750          Los Angeles, California 90013-2344          (213) 576-7500 / Toll Free: (866) 275-2677          Email: ASK.DFPI@dfpi.ca.gov          Website: <a href="http://www.dfpi.ca.gov">http://www.dfpi.ca.gov</a></p>	<p><b>NEW YORK</b>          NYS Department of Law          Investor Protection Bureau          28 Liberty St. 21st Fl          New York, NY 10005          (212) 416-8222</p>
<p><b>HAWAII</b>          Commissioner of Securities          Department of Commerce &amp; Consumer Affairs          Business Registration Division          Securities Compliance Branch          335 Merchant Street, Room 203          Honolulu, Hawaii 96813          (808) 586-2722</p>	<p><b>NORTH DAKOTA</b>          North Dakota Securities Department          State Capitol          Department 414          600 East Boulevard Avenue, Fourteenth Floor          Bismarck, North Dakota 58505-0510          (701) 328-4712</p>
<p><b>ILLINOIS</b>          Illinois Office of the Attorney General          Franchise Bureau          500 South Second Street          Springfield, Illinois 62706          (217) 782-4465</p>	<p><b>RHODE ISLAND</b>          Department of Business Regulation          Securities Division, Building 69, First Floor          John O. Pastore Center          1511 Pontiac Avenue          Cranston, Rhode Island 02920          (401) 462-9527</p>
<p><b>INDIANA</b>          Secretary of State          Franchise Section          302 West Washington, Room E-111          Indianapolis, Indiana 46204          (317) 232-6681</p>	<p><b>SOUTH DAKOTA</b>          Division of Insurance          Securities Regulation          124 South Euclid Avenue, 2<sup>nd</sup> Floor          Pierre, South Dakota 57501          (605) 773-3563</p>
<p><b>MARYLAND</b>          Office of the Attorney General          Securities Division          200 St. Paul Place          Baltimore, Maryland 21202-2020          (410) 576-6360</p>	<p><b>VIRGINIA</b>          State Corporation Commission          Division of Securities and Retail Franchising          1300 East Main Street, 9th Floor          Richmond, Virginia 23219          (804) 371-9051</p>
<p><b>MICHIGAN</b>          Michigan Attorney General’s Office          Corporate Oversight Division, Franchise Section          525 West Ottawa Street          G. Mennen Williams Building, 1<sup>st</sup> Floor          Lansing, Michigan 48913          (517) 335-7567</p>	<p><b>WASHINGTON</b>          Department of Financial Institutions          Securities Division          P.O. Box 41200          Olympia, Washington 98504-1200          (360) 902-8760</p>
<p><b>MINNESOTA</b>          Minnesota Department of Commerce          85 7<sup>th</sup> Place East, Suite 280          St. Paul, Minnesota 55101          (651) 539-1600</p>	<p><b>WISCONSIN</b>          Division of Securities          4822 Madison Yards Way, North Tower          Madison, Wisconsin 53705          (608) 266-2139</p>

**AGENTS FOR SERVICE OF PROCESS**

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents in some of the states listed.

<p><b>CALIFORNIA</b>          Commissioner of Financial Protection and Innovation          Department of Financial Protection and Innovation          320 West Fourth Street, Suite 750          Los Angeles, California 90013-2344          (213) 576-7500 / Toll Free: (866) 275-2677          Email: ASK.DFPI@dfpi.ca.gov          Website: <a href="http://www.dfpi.ca.gov">http://www.dfpi.ca.gov</a></p>	<p><b>NEW YORK</b>          New York Secretary of State          One Commerce Plaza          99 Washington Avenue          Albany, NY 12231          (518) 473-2492</p>
<p><b>HAWAII</b>          Commissioner of Securities          Department of Commerce &amp; Consumer Affairs          Business Registration Division          Securities Compliance Branch          335 Merchant Street, Room 203          Honolulu, Hawaii 96813          (808) 586-2722</p>	<p><b>NORTH DAKOTA</b>          North Dakota Securities Commissioner          State Capitol          Department 414          600 East Boulevard Avenue, Fourteenth Floor          Bismarck, North Dakota 58505-0510          (701) 328-4712</p>
<p><b>ILLINOIS</b>          Illinois Attorney General          500 South Second Street          Springfield, Illinois 62706          (217) 782-4465</p>	<p><b>RHODE ISLAND</b>          Director of Department of Business Regulation          Department of Business Regulation          Securities Division, Building 69, First Floor          John O. Pastore Center          1511 Pontiac Avenue          Cranston, Rhode Island 02920          (401) 462-9527</p>
<p><b>INDIANA</b>          Secretary of State          Franchise Section          302 West Washington, Room E-111          Indianapolis, Indiana 46204          (317) 232-6681</p>	<p><b>SOUTH DAKOTA</b>          Division of Insurance          Director of the Securities Regulation          124 South Euclid Avenue, 2<sup>nd</sup> Floor          Pierre, South Dakota 57501          (605) 773-3563</p>
<p><b>MARYLAND</b>          Maryland Securities Commissioner          200 St. Paul Place          Baltimore, Maryland 21202-2020          (410) 576-6360</p>	<p><b>VIRGINIA</b>          Clerk of the State Corporation Commission          1300 East Main Street, 1<sup>st</sup> Floor          Richmond, Virginia 23219          (804) 371-9733</p>
<p><b>MICHIGAN</b>          Michigan Attorney General’s Office          Corporate Oversight Division, Franchise Section          525 West Ottawa Street          G. Mennen Williams Building, 1<sup>st</sup> Floor          Lansing, Michigan 48913          (517) 335-7567</p>	<p><b>WASHINGTON</b>          Director of Department of Financial Institutions          Securities Division – 3<sup>rd</sup> Floor          150 Israel Road, Southwest          Tumwater, Washington 98501          (360) 902-8760</p>
<p><b>MINNESOTA</b>          Commissioner of Commerce          Minnesota Department of Commerce          85 7<sup>th</sup> Place East, Suite 280          St. Paul, Minnesota 55101          (651) 539-1600</p>	<p><b>WISCONSIN</b>          Division of Securities          4822 Madison Yards Way, North Tower          Madison, Wisconsin 53705          (608) 266-2139</p>

**EXHIBIT D**  
**MANUAL TABLE OF CONTENTS**

## GoJoe Patrol – Manuals Tables of Contents

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<b>Brand Standards Manual</b>	
<b>Chapter Title</b>	<b>Number of Pages</b>
Preface and Introduction	7
Required Services and Pricing Guidelines	2
Sales	9
Operations	15
Safety and Security	13
Labor Management	31
Financial Management	7
Marketing	40
Total Pages	124

<b>Additional Manual</b>	<b>Number of Pages</b>
Start Up Manual	35

**EXHIBIT E**  
**FINANCIAL STATEMENTS**



Report of Independent Auditors  
and Financial Statements

**GoJoe Patrol Franchising, LLC**

December 31, 2024 and 2023

# Table of Contents

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<b>Financial Statements</b>	
Balance Sheets	4
Statements of Operations and Changes in Members' Equity (Deficit)	5
Statements of Cash Flows	6
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## Report of Independent Auditors

The Members  
GoJoe Patrol Franchising, LLC

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of GoJoe Patrol Franchising, LLC, which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations and members' equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of GoJoe Patrol Franchising, LLC, as of December 31, 2024 and 2023, 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 (GAAS). 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 GoJoe Patrol Franchising, LLC, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 GoJoe Patrol Franchising, LLC'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 GAAS 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 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 GAAS, 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 GoJoe Patrol Franchising, LLC'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 GoJoe Patrol Franchising, LLC'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.



Seattle, Washington

April 24, 2025

## **Financial Statements**

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**GoJoe Patrol Franchising, LLC**  
**Balance Sheets**  
**December 31, 2024 and 2023**

	2024	2023
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 104,559	\$ 20,774
Franchise receivables	42,141	10,450
Due from related party	39,851	-
Current portion of contract assets	2,000	1,000
Total current assets	188,551	32,224
CONTRACT ASSETS, non-current	15,667	8,500
Total assets	\$ 204,218	\$ 40,724
<b>LIABILITIES AND MEMBERS' EQUITY (DEFICIT)</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 14,183	\$ 11,251
Due to related party	12,000	-
Current portion of deferred revenue	9,000	6,000
Total current liabilities	35,183	17,251
<b>NON-CURRENT LIABILITIES</b>		
Deferred revenue	70,167	81,500
Total liabilities	105,350	98,751
<b>MEMBERS' EQUITY (DEFICIT)</b>		
Total liabilities and members' equity (deficit)	\$ 204,218	\$ 40,724

See accompanying notes.

**GoJoe Patrol Franchising, LLC**  
**Statements of Operations and Changes in Members' Equity (Deficit)**  
**Years Ended December 31, 2024 and 2023**

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	2024	2023
REVENUE		
Franchise fees	\$ 8,333	\$ 2,500
Royalty fees	126,984	3,301
Software license fees	32,840	6,084
Brand fund revenue	50,940	-
Total revenue	219,097	11,885
OPERATING EXPENSES		
Advertising expense	52,350	98,722
Legal expense	19,875	12,065
General and administrative expenses	89,977	88,724
Total operating expenses	162,202	199,511
NET INCOME (LOSS)	\$ 56,895	\$ (187,626)
MEMBERS' (DEFICIT) EQUITY		
Beginning of year	\$ (58,027)	\$ 42,070
Member contributions	100,000	87,529
End of year	\$ 98,868	\$ (58,027)

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See accompanying notes.

**GoJoe Patrol Franchising, LLC**  
**Statements of Cash Flows**  
**Years Ended December 31, 2024 and 2023**

---

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ 56,895	\$ (187,626)
Adjustments to reconcile net income (loss) to net cash from operating activities		
Changes in operating assets and liabilities		
Franchise receivables	(31,691)	(10,450)
Contract assets	(8,167)	500
Accounts payable	2,932	(12,170)
Due to/from related party	(27,851)	57,478
Deferred revenue	(8,333)	37,500
Net cash from operating activities	(16,215)	(114,768)
CASH FLOWS FROM OPERATING ACTIVITIES		
Member contributions	100,000	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	83,785	(114,768)
CASH AND CASH EQUIVALENTS, beginning of year	20,774	135,542
CASH AND CASH EQUIVALENTS, end of year	\$ 104,559	\$ 20,774
NON-CASH FINANCING ACTIVITIES		
Due to related party converted to member contribution	\$ -	\$ 87,529

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See accompanying notes.

# GoJoe Patrol Franchising, LLC

## Notes to Financial Statements

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### Note 1 – Nature of Business and Summary of Significant Accounting Policies

**Nature of operations** – GoJoe Patrol Franchising, LLC (the Company) is a limited liability company (LLC) organized on August 19, 2020, under the laws of the state of Washington, and is headquartered in Spokane Valley, Washington. The Company operates as the franchisor of a private security service, GoJoe Patrol. GoJoe Patrol provides various private security services to their customers including alarm response, onsite security, mobile patrol services, armed guards, and commercial security. The Company's business activities relate to the development of the GoJoe Patrol franchise system and the offer, sale, and support of the franchised business. As of December 31, 2024, the Company had two franchise-owned locations. One location was open as of December 31, 2023.

The Company is owned equally by four individuals who are also owners of the GoJoe Patrol corporate entity.

**Basis of presentation** – The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP). The Company believes this information includes all adjustments, consisting of normal recurring accruals, necessary to fairly present the financial condition of the Company. References to ASC and ASU included hereinafter refers to the Accounting Standards Codification and Accounting Standards Updates, respectively, established by the Financial Accounting Standards Board (FASB) as the source of authoritative U.S. GAAP.

**Use of estimates** – The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Cash and cash equivalents** – For purposes of the statements of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. There are no cash equivalents as of December 31, 2024 or 2023. The Company maintains its cash in bank deposit accounts, that may at times, exceed federal insured limits. No losses have been recognized as a result of these excess amounts.

**Franchise receivables** – Franchise receivables consist primarily of amounts due from franchisees for royalty, advertising, and technology fees and are stated net of an allowance for credit losses. On a periodic basis, the Company evaluates its accounts receivable balance and establishes an allowance for credit losses to estimate losses from uncollectible accounts, if required, based on a history of past write-offs and collections and current credit considerations. Account balances are written off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. There was no allowance for credit losses based upon management's assessment of collectability as of December 31, 2024 and 2023.

**Revenue recognition** – The Company records revenue under ASC Topic 606, *Revenue from Contracts with Customers (Topic 606)*, which requires revenue to be recorded as the transfer of promised goods or services to customers in an amount that reflects the consideration to which the reporting entity expects to be entitled in exchange for those goods or services.

## GoJoe Patrol Franchising, LLC

### Notes to Financial Statements

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**Franchise and development fee revenues** – The franchise arrangement between the Company and each franchise owner of a GoJoe Patrol is documented in the form of a franchise agreement which are typically for a ten-year period. The franchise arrangement requires the Company as franchisor to perform various activities to support the GoJoe Patrol brand and does not involve the direct transfer of goods and services to the franchise owner as a customer. The Company has identified one performance obligation for the use of the license and intellectual property and recognizes franchise fees over the term of the franchise period. Under ASC 606, the Company is required to defer initial fees and recognize as revenue over the period in which the franchisee receives and consumes benefits from the Company's on-going performance obligation to provide a franchise license. This pattern of recognition generally occurs on a straight-line basis (using a time-elapsed measure of progress) over the initial term of the related franchise agreement.

In the event that the franchised business fails to provide security services to commercial and residential customers within its territory by a specified period of time, the franchised business will be placed in default and the franchise agreement may be terminated or modified, and, if terminated, the initial franchise fee is recognized as income to the extent it is nonrefundable and the related area franchise rights could be resold by the Company.

The Company may enter into area development agreements. The Company's performance obligation under area development agreements generally consists of an obligation to grant geographic exclusive area development rights. These development rights are not distinct from franchise agreements, so upfront fees paid by franchisees for exclusive development rights are deferred as contract liabilities and apportioned to each franchise agreement signed by the franchisee. The pro rata amount apportioned to each franchise agreement is recognized as revenue over the life of the agreement, starting at the location opening date. There was no revenue recognized related to area development agreements during the years ended December 31, 2024 and 2023.

*Royalty revenue* – Royalty revenue represents royalties earned from franchisees in accordance with the franchise agreements. The royalty rate in the franchise agreement is typically up to 5% of the gross sales of each location operated, which is recognized when earned and is payable to the Company weekly or monthly when the sales are reported by the franchisees. After the location has been open for three years, the royalty fee will be the greater of 5% of gross sales or a minimum monthly royalty fee of \$3,540.

*Brand fund revenue* – Brand fund revenue represents advertising fees earned from each of the franchisees in accordance with the franchise agreements. The brand fund rate in the franchise agreements is typically up to 2% of the gross sales of each location operated, which is recognized when earned and is payable to the Company monthly when the sales are reported by the franchisees. Given the early stages of operations for the franchisees the Company did not charge brand fund fees during the year ended December 31, 2023 and started to charge the franchisees for brand fund revenue during the year ended December 31, 2024.

*Software license fees* – Software license fees represent a fee that is paid to the vendor of the software that franchisees use for operations. The rate for software license fees is currently set at \$869 per month for each franchisee.

## GoJoe Patrol Franchising, LLC

### Notes to Financial Statements

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Franchising costs relating to franchise sales for which revenue has not been recorded are deferred and included as unearned commissions until the related revenue is earned unless the related costs exceed the anticipated revenue, in which case the excess costs would be recorded as an expense when incurred. When recognized, franchising costs are included in administrative and development costs. Indirect costs of a regular and recurring nature that are not directly related to sales activity, such as general, selling, and administrative costs, are expensed as incurred.

**Contract assets** – The Company recognizes an asset for the incremental costs of obtaining a contract with a franchisee and recognizes the expense over the course of the period when the Company expects to recover those costs. The Company has determined that commission payments earned by an individual when a contract is executed meets these requirements. Capitalized commissions are amortized to commissions expense within general and administrative expenses on the statements of operations on a straight-line basis over the period of benefit. The Company applies a practical expedient to expense costs as incurred for costs to obtain a contract with a franchisee when the amortization period would have been one year or less.

**Contract liabilities** – Contract liabilities represent a liability related to a revenue-producing activity for which revenue has not yet been recognized. Under Topic 606, the Company is required to defer initial franchise and area development fees, as well as renewal fees and recognize as revenue over the period in which the franchisee receives and consumes benefits from the Company's on-going performance obligations. This pattern of recognition generally occurs on a straight-line basis (using a time-elapsed measure of progress) over the initial terms of the agreement.

The Company has the following contract assets and liabilities (deferred revenue) balances related to Topic 606:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>January 1, 2023</u>
Contract assets, current	\$ 2,000	\$ 1,000	\$ 500
Contract assets, noncurrent	\$ 15,667	\$ 8,500	\$ 9,500
Contract liabilities, current	\$ 9,000	\$ 6,000	\$ 4,167
Contract liabilities, noncurrent	\$ 70,167	\$ 81,500	\$ 45,833

The following table reflects the approximate changes in contract assets as of December 31:

	<u>2024</u>	<u>2023</u>
BALANCE, beginning of period	\$ 9,500	\$ 10,000
Commissions expense recognized during the period	(1,833)	(500)
New deferrals due to cash paid	10,000	-
BALANCE, end of period	\$ 17,667	\$ 9,500

## GoJoe Patrol Franchising, LLC

### Notes to Financial Statements

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The following table reflects the approximate changes in deferred revenue as of December 31:

	2024	2023
BALANCE, beginning of period	\$ 87,500	\$ 50,000
Revenue recognized during the period	(8,333)	(2,500)
New deferrals due to cash received	-	40,000
BALANCE, end of period	\$ 79,167	\$ 87,500

The following table illustrates the approximate (expense) / revenue expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as of December 31, 2024:

	Contract Assets	Deferred Revenue
Years Ending,		
2025	\$ (2,000)	\$ 9,000
2026	(2,000)	9,000
2027	(2,000)	9,000
2028	(2,000)	9,000
2029	(2,000)	9,000
Thereafter	(7,667)	34,167
Total	\$ (17,667)	\$ 79,167

**General and administrative expenses** – The Company incurs certain operating expenses related to supporting new franchise openings and for continued support. Operating expenses include mileage, lodging, transportation, and miscellaneous travel expenses and are included in general and administrative expenses. Other general and administrative expenses include advertising costs, legal fees, office supplies and related expenses, state and local taxes, professional fees, and bank/finance charges.

**Advertising costs** – Advertising costs, including general brand marketing, are expensed when incurred. Advertising expense for the years ended December 31, 2024 and 2023, was \$52,350 and \$98,722, respectively.

**Income taxes** – The Company is organized as a limited liability company (LLC) for federal and state income tax reporting purposes. Accordingly, all federal and state income tax attributes are passed through to the Company's members.

The Company adheres to FASB ASC 740-10, relating to accounting for uncertain tax positions. ASC 740-10 prescribes a recognition threshold and measurement process for accounting for uncertain tax positions and also provides guidance on various related matters such as derecognition, interest, penalties and disclosures required. The Company does not have any entity level uncertain tax positions. The Company files income tax returns in the U.S. federal jurisdiction. Generally, the Company is subject to examination by U.S. federal (or state and local) income tax authorities for three years from the filing date of a tax return.

## **GoJoe Patrol Franchising, LLC**

### **Notes to Financial Statements**

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**Subsequent events** – Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are available to be issued. The Company recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. The Company's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after the balance sheet date and before the financial statements are available to be issued.

The Company has evaluated subsequent events through April 24, 2025, which is the date the financial statements were available to be issued.

#### **Note 2 – Related Party Transactions**

Certain expenses of the Company were paid by the GoJoe Patrol Business entity. During the year ended December 31, 2023, the members of the Company elected to convert the \$87,529 payable due to the GoJoe Patrol corporate entity to member contributions. As of December 31, 2024, there were no payables to the members. As of December 31, 2024, balances due to related parties were \$12,000.

In addition, one of the owners receives a sales commission of \$10,000 for each franchisee that enters into a franchise agreement. During the year ended December 31, 2024, there was a \$10,000 commission paid to the owner, which is included as a contract asset on the balance sheet and is amortized over the term of the related agreement.

During the year ended December 31, 2024, the Company recognized revenue of approximately \$168,000 as part of a new intercompany intellectual property license agreement with Go Joe Patrol Inc. which requires them to pay five percent of all revenue for intellectual property, two percent of gross sales as a contribution to the brand fund, and one half of one percent of gross sales for the technology fund.

#### **Note 3 – Risks, Uncertainties, and Contingencies**

The Company's business and operations are sensitive to general business and economic conditions in the United States. A host of factors beyond the Company's control could cause fluctuations in these conditions. Adverse conditions may include recession, downturn or otherwise, local competition or changes in consumer taste. These adverse conditions could affect the Company's financial condition and the results of its operations.

In the normal course of business, the Company and its franchisees are parties to various legal claims, actions, and complaints. It is not possible to predict with certainty whether or not the Company and its franchisees will ultimately be successful in any of the legal matters or, if not, what the impact might be. However, the Company's management does not expect that the results in and of these legal proceedings will have a material adverse effect on the Company's results of operations, financial position, or cash flows.

## **GoJoe Patrol Franchising, LLC**

### **Notes to Financial Statements**

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#### **Note 4 – Members' Equity**

The Company's LLC operating agreement has a perpetual life. Excess cash flow, tax liability distributions, and profits and losses are to be distributed to the members in accordance with the operating agreement. The liability of the Company's members is limited to the members' specific capital balance. Upon liquidation of the Company, the net assets shall be distributed to the members.



MOSSADAMS



Report of Independent Auditors  
and Financial Statements

**GoJoe Patrol Franchising, LLC**

December 31, 2023 and 2022

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## Report of Independent Auditors

The Members'  
GoJoe Patrol Franchising, LLC

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of GoJoe Patrol Franchising, LLC, which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations and members' (deficit) equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of GoJoe Patrol Franchising, LLC, as of December 31, 2023 and 2022, 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 (GAAS). 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 GoJoe Patrol Franchising, LLC, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 GoJoe Patrol Franchising, LLC'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 GAAS 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 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 GAAS, 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 GoJoe Patrol Franchising, LLC'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 GoJoe Patrol Franchising, LLC'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.

*Moss Adams LLP*

Seattle, Washington

March 27, 2024

## **Financial Statements**

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**GoJoe Patrol Franchising, LLC**  
**Balance Sheets**  
**December 31, 2023 and 2022**

	2023	2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 20,774	\$ 135,542
Franchise receivables	10,450	-
Current portion of contract assets	1,000	500
Total current assets	32,224	136,042
CONTRACT ASSETS, non-current	8,500	9,500
Total assets	\$ 40,724	\$ 145,542
<b>LIABILITIES AND MEMBERS' (DEFICIT) EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 11,251	\$ 23,421
Due to related party	-	30,051
Current portion of deferred revenue	6,000	4,167
Total current liabilities	17,251	57,639
<b>NON-CURRENT LIABILITIES</b>		
Deferred revenue	81,500	45,833
Total liabilities	98,751	103,472
<b>MEMBERS' (DEFICIT) EQUITY</b>		
Total liabilities and members' (deficit) equity	\$ 40,724	\$ 145,542

See accompanying notes.

**GoJoe Patrol Franchising, LLC**  
**Statements of Operations and Changes in Members' (Deficit) Equity**  
**Years Ended December 31, 2023 and 2022**

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	2023	2022
REVENUE		
Franchise fees	\$ 2,500	\$ -
Royalty fees	3,301	-
Software license fees	6,084	-
Total revenue	11,885	-
OPERATING EXPENSES		
Advertising expense	98,722	69,867
Legal expense	12,065	23,961
General and administrative expenses	88,724	9,049
Total operating expenses	199,511	102,877
NET LOSS	\$ (187,626)	\$ (102,877)
MEMBERS' (DEFICIT) EQUITY		
Beginning of year	\$ 42,070	\$ 144,947
Non-cash member contribution	87,529	-
End of year	\$ (58,027)	\$ 42,070

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See accompanying notes.

**GoJoe Patrol Franchising, LLC**  
**Statements of Cash Flows**  
**Years Ended December 31, 2023 and 2022**

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	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (187,626)	\$ (102,877)
Adjustments to reconcile net loss to net cash from operating activities		
Changes in operating assets and liabilities		
Franchise receivables	(10,450)	-
Contract assets	500	(10,000)
Accounts payable	(12,170)	23,421
Due to related party	57,478	24,998
Deferred revenue	37,500	50,000
	(114,768)	(14,458)
Net cash from operating activities	(114,768)	(14,458)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(114,768)	(14,458)
CASH AND CASH EQUIVALENTS, beginning of year	135,542	150,000
CASH AND CASH EQUIVALENTS, end of year	\$ 20,774	\$ 135,542
NON-CASH FINANCING ACTIVITIES		
Due to related party converted to member contribution	\$ 87,529	\$ -

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See accompanying notes.

# GoJoe Patrol Franchising, LLC

## Notes to Financial Statements

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### Note 1 – Nature of Business and Summary of Significant Accounting Policies

**Nature of operations** – GoJoe Patrol Franchising, LLC (the Company) is a limited liability company (LLC) organized on August 19, 2020, under the laws of the state of Washington, and is headquartered in Spokane Valley, Washington. The Company operates as the franchisor of a private security service, GoJoe Patrol. GoJoe Patrol provides various private security services to their customers including alarm response, onsite security, mobile patrol services, armed guards, and commercial security. The Company's business activities relate to the development of the GoJoe Patrol franchise system and the offer, sale, and support of the franchised business. As of December 31, 2023, the Company had two franchise-owned locations. One location was open as of December 31, 2023.

The Company is owned equally by four individuals who are also owners of the GoJoe Patrol corporate entity.

**Basis of presentation** – The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP). The Company believes this information includes all adjustments, consisting of normal recurring accruals, necessary to fairly present the financial condition of the Company. References to ASC and ASU included hereinafter refers to the Accounting Standards Codification and Accounting Standards Updates, respectively, established by the Financial Accounting Standards Board (FASB) as the source of authoritative U.S. GAAP.

**Use of estimates** – The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Cash and cash equivalents** – For purposes of the statements of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Company maintains its cash in bank deposit accounts, that may at times, exceed federal insured limits. No losses have been recognized as a result of these excess amounts.

**Franchise receivables** – Franchise receivables consist primarily of amounts due from franchisees for royalty, advertising, and technology fees and are stated net of an allowance for doubtful accounts. On a periodic basis, the Company evaluates its accounts receivable balance and establishes an allowance for credit losses to estimate losses from uncollectible accounts, if required, based on a history of past write-offs and collections and current credit considerations. Account balances are written off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. There was no allowance for credit losses based upon management's assessment of collectability as of December 31, 2023, and 2022.

**Revenue recognition** – The Company records revenue under ASC Topic 606, *Revenue from Contracts with Customers (Topic 606)*, which requires revenue to be recorded as the transfer of promised goods or services to customers in an amount that reflects the consideration to which the reporting entity expects to be entitled in exchange for those goods or services. The Company has identified one performance obligation for the use of the license and intellectual property and recognizes franchise fees over the term of the franchise period.

## GoJoe Patrol Franchising, LLC

### Notes to Financial Statements

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**Franchise and development fee revenues** – The franchise arrangement between the Company and each franchise owner of a GoJoe Patrol is documented in the form of a franchise agreement which are typically for a 10-year period. The franchise arrangement requires the Company as franchisor to perform various activities to support the GoJoe Patrol brand and does not involve the direct transfer of goods and services to the franchise owner as a customer. Under ASC 606, the Company is required to defer initial fees and recognize as revenue over the period in which the franchisee receives and consumes benefits from the Partnership's on-going performance obligation to provide a franchise license. This pattern of recognition generally occurs on a straight-line basis (using a time-elapsed measure of progress) over the initial term of the related franchise agreement.

In the event that the franchised business fails to provide security services to commercial and residential customers within its territory by a specified period of time, the franchised business will be placed in default and the franchise agreement may be terminated or modified, and, if terminated, the initial franchise fee is recognized as income to the extent it is nonrefundable and the related area franchise rights could be resold by the Company.

The Company may enter into area development agreements. The Company's performance obligation under area development agreements generally consists of an obligation to grant geographic exclusive area development rights. These development rights are not distinct from franchise agreements, so upfront fees paid by franchisees for exclusive development rights are deferred as contract liabilities and apportioned to each franchise agreement signed by the franchisee. The pro rata amount apportioned to each franchise agreement is recognized as revenue over the life of the agreement, starting at the location opening date. There was no revenue recognized related to area development agreements during the years ended December 31, 2023 and 2022.

**Royalty revenue** – Royalty revenue represents royalties earned from franchisees in accordance with the franchise agreements. The royalty rate in the franchise agreement is typically up to 5% of the gross sales of each location operated, which is recognized when earned and is payable to the Company weekly or monthly when the sales are reported by the franchisees. After the location has been open for three years the royalty fee will be the greater of 5% of gross sales or a minimum monthly royalty fee of \$3,540.

**Brand fund revenue** – Brand fund revenue represents advertising fees earned from each of the franchisees in accordance with the franchise agreements. The brand fund rate in the franchise agreements is typically up to 2% of the gross sales of each location operated, which is recognized when earned and is payable to the Company monthly when the sales are reported by the franchisees. Given the early stages of operations for the franchisees the Company did not charge brand fund fees during the years ended December 31, 2023 and 2022.

**Software license fees** – Software license fees represent a fee that is paid to the vendor of the software that franchisees use for operations. The rate for software license fees is currently set at \$869 per month for each franchisee.

Franchising costs relating to franchise sales for which revenue has not been recorded are deferred and included as unearned commissions until the related revenue is earned unless the related costs exceed the anticipated revenue, in which case the excess costs would be recorded as an expense when incurred. When recognized, franchising costs are included in administrative and development costs. Indirect costs of a regular and recurring nature that are not directly related to sales activity, such as general, selling and administrative costs, are expensed as incurred.

**GoJoe Patrol Franchising, LLC**  
**Notes to Financial Statements**

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**Contract assets and liabilities** – The Company has the following contract assets and liabilities (deferred revenue) balances related to Topic 606:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2022</u>
Contract assets, current	\$ 1,000	\$ 500	\$ -
Contract assets, noncurrent	\$ 8,500	\$ 9,500	\$ -
Contract liabilities, current	\$ 6,000	\$ 4,167	\$ -
Contract liabilities, noncurrent	\$ 81,500	\$ 45,833	\$ -

The following table reflects the approximate changes in contract assets as of December 31:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
BALANCE, beginning of period	\$ 10,000	\$ -
Commissions expense recognized during the period	(500)	-
New deferrals due to cash paid	-	10,000
Balance, end of period	<u>\$ 9,500</u>	<u>\$ 10,000</u>

The following table reflects the approximate changes in deferred revenue as of December 31:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
BALANCE, beginning of period	\$ 50,000	\$ -
Revenue recognized during the period	(2,500)	-
New deferrals due to cash received	40,000	50,000
Balance, end of period	<u>\$ 87,500</u>	<u>\$ 50,000</u>

## GoJoe Patrol Franchising, LLC

### Notes to Financial Statements

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The following table illustrates the approximate (expense) / revenue expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as of December 31, 2023:

Years Ending,	Contract Assets	Deferred Revenue
2024	\$ (1,000)	\$ 6,000
2025	(1,000)	9,000
2026	(1,000)	9,000
2027	(1,000)	9,000
2028	(1,000)	9,000
Thereafter	(4,500)	45,500
Total	\$ (9,500)	\$ 87,500

**General and administrative expenses** – The Company incurs certain operating expenses related to supporting new franchise openings and for continued support. Operating expenses include mileage, lodging, transportation, and miscellaneous travel expenses and are included in general and administrative expenses. Other general and administrative expenses include advertising costs, legal fees, office supplies and related expenses, state and local taxes, professional fees, and bank/finance charges.

**Advertising costs** – Advertising costs, including general brand marketing, are expensed when incurred. Advertising expense for the years ended December 31, 2023 and 2022, was \$98,722 and \$69,867, respectively.

**Income taxes** – The Company is organized as a limited liability company (LLC) for federal and state income tax reporting purposes. Accordingly, all federal and state income tax attributes are passed through to the Company’s members.

The Company adheres to FASB ASC 740-10, relating to accounting for uncertain tax positions. ASC 740-10 prescribes a recognition threshold and measurement process for accounting for uncertain tax positions and also provides guidance on various related matters such as derecognition, interest, penalties and disclosures required. The Company does not have any entity level uncertain tax positions. The Company files income tax returns in the U.S. federal jurisdiction. Generally, the Company is subject to examination by U.S. federal (or state and local) income tax authorities for three years from the filing date of a tax return.

## GoJoe Patrol Franchising, LLC

### Notes to Financial Statements

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**Recently issued accounting pronouncements** – In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which introduced an expected credit loss methodology for the measurement and recognition of credit losses on most financial assets, including trade accounts receivable. The expected credit loss methodology under ASU 2016-13 is based on historical experience, current conditions, and reasonable and supportable forecasts, and replaces the probable/incurred loss model for measuring and recognizing expected losses under current GAAP. The ASU also requires disclosures of information regarding how a company developed its allowance, including changes in the factors that influenced management's estimate of expected credit losses and the reasons for those changes. The ASU and its related clarifying updates are effective for nonpublic companies in fiscal years beginning after December 15, 2022, and interim periods within those fiscal years, with early adoption permitted. The Company adopted the new standard on January 1, 2023, and it did not have a material impact on the estimate of the allowance for credit losses on financial assets.

**Subsequent events** – Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are available to be issued. The Company recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. The Company's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after the balance sheet date and before the financial statements are available to be issued.

Subsequent to year-end, the members made equity contributions totaling \$100,000.

The Company has evaluated subsequent events through March 27, 2024, which is the date the financial statements were available to be issued.

#### **Note 2 – Related Party Transactions**

Certain expenses of the Company were paid by the GoJoe Patrol Business entity. During the year ended December 31, 2023 the members of the Company elected to convert the \$87,529 payable due to the GoJoe Patrol corporate entity to member contributions. As of December 31, 2023, there were no payables to the members. As of December 31, 2022, balances due to related parties were \$30,051.

In addition, one of the owners receives a sales commission of \$10,000 for each franchisee that enters into a franchise agreement. During the year ended December 31, 2022, there was a \$10,000 commission paid to the owner, which is included as a contract asset on the balance sheet and is amortized over the term of the related agreement.

#### **Note 3 – Risks, Uncertainties, and Contingencies**

The Company's business and operations are sensitive to general business and economic conditions in the United States. A host of factors beyond the Company's control could cause fluctuations in these conditions. Adverse conditions may include recession, downturn or otherwise, local competition or changes in consumer taste. These adverse conditions could affect the Company's financial condition and the results of its operations.

## **GoJoe Patrol Franchising, LLC**

### **Notes to Financial Statements**

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In the normal course of business, the Company and its franchisees are parties to various legal claims, actions, and complaints. It is not possible to predict with certainty whether or not the Company and its franchisees will ultimately be successful in any of the legal matters or, if not, what the impact might be. However, the Company's management does not expect that the results in and of these legal proceedings will have a material adverse effect on the Company's results of operations, financial position, or cash flows.

#### **Note 4 – Members' Equity**

The Company's LLC operating agreement has a perpetual life. Excess cash flow, tax liability distributions, and profits and losses are to be distributed to the members in accordance with the operating agreement. The liability of the Company's members is limited to the members' specific capital balance. Upon liquidation of the Company, the net assets shall be distributed to the members.

**EXHIBIT F**

**STATE-SPECIFIC AGREEMENT ADDENDA**

**California  
Hawaii  
Illinois  
Maryland  
Minnesota  
New York  
North Dakota  
Rhode Island  
South Dakota  
Virginia  
Washington**

**ADDENDUM TO THE GOJOE PATROL DEVELOPMENT AGREEMENT  
REQUIRED FOR CALIFORNIA DEVELOPERS**

This Addendum to the GoJoe Patrol Development Agreement dated \_\_\_\_\_ (“**Development Agreement**”) is entered into by and between **GoJoe Patrol Franchising, LLC**, a Washington limited liability company (“**we**”, “**us**” or “**Franchisor**”) and \_\_\_\_\_, a \_\_\_\_\_ [insert type of organization and delete these brackets] formed in \_\_\_\_\_ [insert state and delete these brackets] (“**you**” or “**Developer**”) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

1. General. The provisions of this Addendum form an integral part of, and are incorporated into, the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the State of California; **(B)** Developer is a resident of the State of California; and/or **(C)** part or all of the Development Area is located in the State of California.

2. Development Fee. The following is added to the end of Section 2.1 of the Development Agreement:

The California Department of Financial Protection and Innovation requires us to defer payment of the initial franchise fee and other initial payments owed by you to us until we have completed our pre-opening obligations under the Development Agreement and the Franchised Business has opened for business. We will prorate the portion of the Development Fee based on the number of Franchised Business to be opened and only the prorated portion of the Development Fee can be collected as the Franchised Businesses are open.

3. Miscellaneous. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

[Signatures follow on next page.]

**IN WITNESS WHEREOF**, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

**GOJOE PATROL FRANCHISING, LLC**

**DEVELOPER:**

**If a corporation, partnership, or limited liability company, print name of business entity on the line below:**

\_\_\_\_\_

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

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

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

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

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

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

**EFFECTIVE DATE:** \_\_\_\_\_

**If Developer is one or more individuals:**

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

**ADDENDUM TO THE GOJOE PATROL FRANCHISE AGREEMENT  
REQUIRED FOR CALIFORNIA FRANCHISEES**

This Addendum to the GoJoe Patrol Franchise Agreement dated \_\_\_\_\_ (“**Franchise Agreement**”) is entered into by and between **GoJoe Patrol Franchising, LLC**, a Washington limited liability company (“**we**”, “**us**” or “**Franchisor**”) and \_\_\_\_\_, a \_\_\_\_\_ [*insert type of organization and delete these brackets*] formed in \_\_\_\_\_ [*insert state and delete these brackets*] (“**you**” or “**Franchisee**”) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

1. General. The provisions of this Addendum form an integral part of, and are incorporated into, the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of California; **(B)** Franchisee is a resident of the State of California; and/or **(C)** the Franchised Business will be located and/or operated, and/or all or part of the Protected Area will be located, in the State of California.

2. Initial Franchise Fee. The following is added to the end of Section 4.1 of the Franchise Agreement:

The California Department of Financial Protection and Innovation requires us to defer payment of the Initial Franchise Fee and other initial payments owed by you to us until we have completed our pre-opening obligations under the Franchise Agreement and the Franchised Business has opened for business.

3. Miscellaneous. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

[Signatures follow on next page.]

**IN WITNESS WHEREOF**, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

**GOJOE PATROL FRANCHISING, LLC**

**FRANCHISEE:**

**If a corporation, partnership, or limited liability company, print name of business entity on the line below:**

\_\_\_\_\_

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

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

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

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

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

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

**EFFECTIVE DATE:** \_\_\_\_\_

**If Franchisee is one or more individuals:**

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

**ADDENDUM TO THE GOJOE PATROL DEVELOPMENT AGREEMENT  
REQUIRED FOR HAWAII DEVELOPERS**

This Addendum to the GoJoe Patrol Development Agreement dated \_\_\_\_\_ (“**Development Agreement**”) is entered into by and between **GoJoe Patrol Franchising, LLC**, a Washington limited liability company (“**we**”, “**us**” or “**Franchisor**”) and \_\_\_\_\_, a \_\_\_\_\_ [insert type of organization and delete these brackets] formed in \_\_\_\_\_ [insert state and delete these brackets] (“**you**” or “**Developer**”) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

1. General. The provisions of this Addendum form an integral part of, and are incorporated into, the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the State of Hawaii; **(B)** Developer is a resident of the State of Hawaii; and/or **(C)** part or all of the Development Area is located in the State of Hawaii.

2. Development Fee. The following is added to the end of Section 2.1 of the Development Agreement:

The Hawaii Department of Commerce and Consumer Affairs Business Registration Division requires us to defer payment of the initial franchise fee and other initial payments owed by you to us until we have completed our pre-opening obligations under the Development Agreement and the Franchised Business has opened for business. We will prorate the portion of the Development Fee based on the number of Franchised Business to be opened and only the prorated portion of the Development Fee can be collected as the Franchised Businesses are open.

3. Miscellaneous. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

[Signatures follow on next page.]

**IN WITNESS WHEREOF**, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

**GOJOE PATROL FRANCHISING, LLC**

**DEVELOPER:**

**If a corporation, partnership, or limited liability company, print name of business entity on the line below:**

\_\_\_\_\_

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

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

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

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

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

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

**EFFECTIVE DATE:** \_\_\_\_\_

**If Developer is one or more individuals:**

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

**ADDENDUM TO THE GOJOE PATROL FRANCHISE AGREEMENT  
REQUIRED FOR HAWAII FRANCHISEES**

This Addendum to the GoJoe Patrol Franchise Agreement dated \_\_\_\_\_ (“**Franchise Agreement**”) is entered into by and between **GoJoe Patrol Franchising, LLC**, a Washington limited liability company (“**we**”, “**us**” or “**Franchisor**”) and \_\_\_\_\_, a \_\_\_\_\_ [*insert type of organization and delete these brackets*] formed in \_\_\_\_\_ [*insert state and delete these brackets*] (“**you**” or “**Franchisee**”) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

1. General. The provisions of this Addendum form an integral part of, and are incorporated into, the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of Hawaii; **(B)** Franchisee is a resident of the State of Hawaii; and/or **(C)** the Restaurant will be located and/or operated, and/or all or part of the Protected Area will be located, in the State of Hawaii.

2. Initial Franchise Fee. The following is added to the end of Section 4.1 of the Franchise Agreement:

The Hawaii Department of Commerce and Consumer Affairs Business Registration Division requires us to defer payment of the Initial Franchise Fee and other initial payments owed by you to us until we have completed our pre-opening obligations under the Franchise Agreement and the Franchised Business has opened for business.

3. Miscellaneous. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

[Signatures follow on next page.]

**IN WITNESS WHEREOF**, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

**GOJOE PATROL FRANCHISING, LLC**

**FRANCHISEE:**

**If a corporation, partnership, or limited liability company, print name of business entity on the line below:**

\_\_\_\_\_

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

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

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

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

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

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

**EFFECTIVE DATE:** \_\_\_\_\_

**If Franchisee is one or more individuals:**

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

**ADDENDUM TO THE GOJOE PATROL DEVELOPMENT AGREEMENT  
REQUIRED FOR ILLINOIS DEVELOPERS**

This Addendum to the GoJoe Patrol Development Agreement dated \_\_\_\_\_ (“**Development Agreement**”) is entered into by and between **GoJoe Patrol Franchising, LLC**, a Washington limited liability company (“**we**”, “**us**” or “**Franchisor**”) and \_\_\_\_\_, a \_\_\_\_\_ [insert type of organization and delete these brackets] formed in \_\_\_\_\_ [insert state and delete these brackets] (“**you**” or “**Developer**”) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

1. The provisions of this Addendum form an integral part of, and are incorporated into the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the State of Illinois; **(B)** Developer is a resident of the State of Illinois; **(C)** part or all of any Development Area is located in the State of Illinois; and/or **(D)** a Franchised Business will be located or operated in the State of Illinois.

2. The following language is added to the end of Section 2 of the Development Agreement:

Notwithstanding the foregoing, in the State of Illinois, we will defer the payment of the Development Fee until we complete our initial obligations and you open the first GoJoe Patrol Business that you develop under this Agreement. At that time, you shall pay the Development Fee to us. The Illinois Attorney General’s Office imposed this deferral requirement due to our financial condition.

3. The following paragraphs are added at the end of Section 8:

Notwithstanding the foregoing, Illinois law shall govern this Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action that otherwise is enforceable in Illinois.

Section 27 of the Illinois Franchise Disclosure Act provides that causes of action under the Act must be brought within the earlier of: three (3) years of the violation, one (1) year after the franchisee becomes aware of the underlying facts or circumstances or ninety (90) days after delivery to the franchisee of a written notice disclosing the violation.

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

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

4. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement.

- 5. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.
- 6. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

**IN WITNESS WHEREOF**, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

**GOJOE PATROL FRANCHISING, LLC**

**DEVELOPER:**

**If a corporation, partnership, or limited liability company, print name of business entity on the line below:**

\_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EFFECTIVE DATE:** \_\_\_\_\_

**If Developer is one or more individuals:**

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

**ADDENDUM TO THE GOJOE PATROL FRANCHISE AGREEMENT  
REQUIRED FOR ILLINOIS FRANCHISEES**

This Addendum to the GoJoe Patrol Franchise Agreement dated \_\_\_\_\_ (“**Franchise Agreement**”) is entered into by and between **GoJoe Patrol Franchising, LLC**, a Washington limited liability company (“**we**”, “**us**” or “**Franchisor**”) and \_\_\_\_\_, a \_\_\_\_\_ [*insert type of organization and delete these brackets*] formed in \_\_\_\_\_ [*insert state and delete these brackets*] (“**you**” or “**Franchisee**”) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of Illinois; **(B)** Franchisee is a resident of the State of Illinois; and/or **(C)** a Franchised Business will be located or operated in the State of Illinois.

2. The following is added to the end of Section 4.1 of the Franchise Agreement:

Notwithstanding the foregoing, we will defer the payment of the Initial Franchise Fee until the Franchised Business opens for business. Upon the opening of the Franchised Business, you shall pay the Initial Franchise Fee to us.

3. The following sentence is added at the end of Section 26.2:

Notwithstanding the foregoing, Illinois law shall govern this Agreement.

4. The following sentence is added to the end of Section 26.3:

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action that otherwise is enforceable in Illinois.

5. The following paragraph is added at the end of Section 26.4:

Section 27 of the Illinois Franchise Disclosure Act provides that causes of action under the Act must be brought within the earlier of: three (3) years of the violation, one (1) year after the franchisee becomes aware of the underlying facts or circumstances or ninety (90) days after delivery to the franchisee of a written notice disclosing the violation.

6. The following sentence is added to the end of Section 17:

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.

7. The following section is added to the end of Section 28:

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

- 8. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.
- 9. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.
- 10. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

**IN WITNESS WHEREOF**, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

**GOJOE PATROL FRANCHISING, LLC**

**FRANCHISEE:**

**If a corporation, partnership, or limited liability company, print name of business entity on the line below:**

\_\_\_\_\_

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

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

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

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

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

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

**EFFECTIVE DATE:** \_\_\_\_\_

**If Franchisee is one or more individuals:**

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

**ADDENDUM TO THE GOJOE PATROL DEVELOPMENT AGREEMENT  
REQUIRED FOR MARYLAND DEVELOPERS**

This Addendum to the GoJoe Patrol Development Agreement dated \_\_\_\_\_ (“**Development Agreement**”) is entered into by and between **GoJoe Patrol Franchising, LLC**, a Washington limited liability company (“**we**”, “**us**” or “**Franchisor**”) and \_\_\_\_\_, a \_\_\_\_\_ [insert type of organization and delete these brackets] formed in \_\_\_\_\_ [insert state and delete these brackets] (“**you**” or “**Developer**”) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

1. The provisions of this Addendum form an integral part of, and are incorporated into the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the State of Maryland; **(B)** Developer is a resident of the State of Maryland; **(C)** part or all of any Development Area is located in the State of Maryland; and/or **(D)** a Franchised Business will be located or operated in the State of Maryland.

2. The following sentence is added to the end of Section 2 (Fees):

Based upon our financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all development fees and initial payments owed shall be deferred until the first GoJoe Patrol business under the Development Agreement opens.

3. The following sentence is added to the end of Section 6.4.4:

This release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. The following is added to the end of Section 8:

Notwithstanding the foregoing, Developer may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

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

5. Any capitalized term that is not defined in this Addendum shall have the meaning given it in the Development Agreement.
6. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.
7. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

[Signatures follow on next page.]

**IN WITNESS WHEREOF**, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

**GOJOE PATROL FRANCHISING, LLC**

**DEVELOPER:**

**If a corporation, partnership, or limited liability company, print name of business entity on the line below:**

\_\_\_\_\_

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

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

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

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

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

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

**EFFECTIVE DATE:** \_\_\_\_\_

**If Developer is one or more individuals:**

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

**ADDENDUM TO THE GOJOE PATROL FRANCHISE AGREEMENT  
REQUIRED FOR MARYLAND FRANCHISEES**

This Addendum to the GoJoe Patrol Franchise Agreement dated \_\_\_\_\_ (“**Franchise Agreement**”) is entered into by and between **GoJoe Patrol Franchising, LLC**, a Washington limited liability company (“**we**”, “**us**” or “**Franchisor**”) and \_\_\_\_\_, a \_\_\_\_\_ [*insert type of organization and delete these brackets*] formed in \_\_\_\_\_ [*insert state and delete these brackets*] (“**you**” or “**Franchisee**”) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of Maryland; **(B)** Franchisee is a resident of the State of Maryland; and/or **(C)** a Franchised Business will be located or operated in the State of Maryland.

2. The following sentence is added to the end of Section 4.1 (Initial Franchise Fee):

Based upon our financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by you shall be deferred until we complete our pre-opening obligations under the Franchise Agreement.

3. The following sentence is added to the end of Sections 4.1, 16.4.4, 17, and 18.3:

This release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. The following sentence is added to the end of Section 26.3:

Notwithstanding the foregoing, Franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. The following is added as Section 28:

Representations. Representations in this Agreement are not intended to, nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

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

6. Any capitalized term that is not defined in this Addendum shall have the meaning given it in the Franchise Agreement.

7. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

8. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic

transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

**IN WITNESS WHEREOF**, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

**GOJOE PATROL FRANCHISING, LLC**

**FRANCHISEE:**

**If a corporation, partnership, or limited liability company, print name of business entity on the line below:**

\_\_\_\_\_

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

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

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

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

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

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

**EFFECTIVE DATE:** \_\_\_\_\_

**If Franchisee is one or more individuals:**

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

**ADDENDUM TO THE GOJOE PATROL DEVELOPMENT AGREEMENT  
REQUIRED FOR MINNESOTA DEVELOPERS**

This Addendum to the GoJoe Patrol Development Agreement dated \_\_\_\_\_ (“**Development Agreement**”) is entered into by and between **GoJoe Patrol Franchising, LLC**, a Washington limited liability company (“**we**”, “**us**” or “**Franchisor**”) and \_\_\_\_\_, a \_\_\_\_\_ [insert type of organization and delete these brackets] formed in \_\_\_\_\_ [insert state and delete these brackets] (“**you**” or “**Developer**”) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

1. The provisions of this Addendum form an integral part of, and are incorporated into the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the State of Minnesota; **(B)** Developer is a resident of the State of Minnesota; **(C)** part or all of any Development Area is located in the State of Minnesota; and/or **(D)** a Franchised Business will be located or operated in the State of Minnesota.

2. The following is added to the end of Section 2.1:

Notwithstanding the foregoing, in the State of Minnesota, we will defer the payment of the Development Fee until the first Franchised Business that you develop under this Agreement opens for business. Upon the opening of the first Franchised Business, you shall pay the Development Fee to us.

3. The following is added to the end of Sections 5, 7.5, and 8:

Notwithstanding the foregoing, you may not consent to our obtaining injunctive relief. We may seek injunctive relief. See Minn. Rule 2860.4400J. A court will determine if a bond is required.

4. The following is added to the end of Section 6.4.4:

Notwithstanding the foregoing, you will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

5. The following is added to the end of Section 8:

With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute § 80C.14, Subdivisions 3, 4, and 5, which require, except in certain cases, 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 agreements.

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Minnesota Statute § 80C.17, Subdivision 5, provides that no action may be commenced pursuant to that Section more than three years after the cause of action accrues.

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

of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

- 6. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement.
- 7. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.
- 8. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

**IN WITNESS WHEREOF**, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

**GOJOE PATROL FRANCHISING, LLC**

**DEVELOPER:**

**If a corporation, partnership, or limited liability company, print name of business entity on the line below:**

\_\_\_\_\_

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

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

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

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

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

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

**EFFECTIVE DATE:** \_\_\_\_\_

**If Developer is one or more individuals:**

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

**ADDENDUM TO THE GOJOE PATROL FRANCHISE AGREEMENT  
REQUIRED FOR MINNESOTA FRANCHISEES**

This Addendum to the GoJoe Patrol Franchise Agreement dated \_\_\_\_\_ (“**Franchise Agreement**”) is entered into by and between **GoJoe Patrol Franchising, LLC**, a Washington limited liability company (“**we**”, “**us**” or “**Franchisor**”) and \_\_\_\_\_, a \_\_\_\_\_ [*insert type of organization and delete these brackets*] formed in \_\_\_\_\_ [*insert state and delete these brackets*] (“**you**” or “**Franchisee**”) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of Minnesota; **(B)** Franchisee is a resident of the State of Minnesota; and/or **(C)** a Franchised Business will be located or operated in the State of Minnesota.

2. The following is added to the end of Section 4.1:

Notwithstanding the foregoing, in the State of Minnesota, we will defer the payment of the Initial Franchise Fee until you open your Franchised Business. Upon the opening of the Franchised Business, you shall pay the Initial Franchise Fee to us.

3. The following is added to the end of Sections 4.1, 16.4.4, 17, and 18.3:

Notwithstanding the foregoing, you will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

4. The following is added to the end of Sections 2.2 and 19:

With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute § 80C.14, Subdivisions 3, 4, and 5, which requires, except in certain cases, that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of franchise agreements.

5. The following is added to the end of Section 15, 20.4, and 26.8:

You may not consent to our obtaining injunctive relief. We may seek injunctive relief. See Minn. Rule 2860.4400J. A court will determine if a bond is required.

6. The following is added to the end of Sections 26.2 and 26.3:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

7. The following is added to the end of Section 28:

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

- 8. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.
- 9. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.
- 10. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

**IN WITNESS WHEREOF**, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

**GOJOE PATROL FRANCHISING, LLC**

**FRANCHISEE:**

**If a corporation, partnership, or limited liability company, print name of business entity on the line below:**

\_\_\_\_\_

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

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

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

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

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

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

**EFFECTIVE DATE:** \_\_\_\_\_

**If Franchisee is one or more individuals:**

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

**ADDENDUM TO THE GOJOE PATROL DEVELOPMENT AGREEMENT  
REQUIRED FOR NEW YORK DEVELOPERS**

This Addendum to the GoJoe Patrol Development Agreement dated \_\_\_\_\_ (“**Development Agreement**”) is entered into by and between **GoJoe Patrol Franchising, LLC**, a Washington limited liability company (“**we**”, “**us**” or “**Franchisor**”) and \_\_\_\_\_, a \_\_\_\_\_ [insert type of organization and delete these brackets] formed in \_\_\_\_\_ [insert state and delete these brackets] (“**you**” or “**Developer**”) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to you was made in the State of New York; **(B)** you are a resident of the State of New York; and/or **(C)** part or all of the Development Area is located in the State of New York.
2. Any provision in the Development Agreement that is inconsistent with the New York General Business Law, Article 33, Sections 680 - 695 may not be enforceable.
3. The following sentence is added to the end of Sections 5, 7.5, and 8:  
  
Our right to obtain injunctive relief exists only after proper proofs are made and the appropriate authority has granted such relief.
4. The following sentence is added to Section 6.1:  
  
We will not assign our rights under this Agreement, except to an assignee who in our good faith and judgment is willing and able to assume our obligations under this Agreement.
5. The following sentence is added to the end of Section 6.4.4:  
  
Any provision in this Agreement requiring you to sign a general release of claims against us does not release any claim you may have under New York General Business Law, Article 33, Sections 680-695.
6. The following sentence is added to the end of Section 8:  
  
Notwithstanding the foregoing, the New York Franchises Law shall govern any claim arising under that law.
7. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement.
8. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.
9. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

**IN WITNESS WHEREOF**, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

**GOJOE PATROL FRANCHISING, LLC**

**DEVELOPER:**

**If a corporation, partnership, or limited liability company, print name of business entity on the line below:**

\_\_\_\_\_

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

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

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

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

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

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

**EFFECTIVE DATE:** \_\_\_\_\_

**If Developer is one or more individuals:**

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

**ADDENDUM TO THE GOJOE PATROL FRANCHISE AGREEMENT  
REQUIRED FOR NEW YORK FRANCHISEES**

This Addendum to the GoJoe Patrol Franchise Agreement dated \_\_\_\_\_ (“**Franchise Agreement**”) is entered into by and between **GoJoe Patrol Franchising, LLC**, a Washington limited liability company (“**we**”, “**us**” or “**Franchisor**”) and \_\_\_\_\_, a \_\_\_\_\_ [*insert type of organization and delete these brackets*] formed in \_\_\_\_\_ [*insert state and delete these brackets*] (“**you**” or “**Franchisee**”) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to you was made in the State of New York; **(B)** you are a resident of the State of New York; and/or **(C)** the Franchised Business will be located in the State of New York.
2. Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Sections 680 – 695, may not be enforceable.
3. The following sentence is added to the end of Sections 4.1, 17, and 18.3:  
  
Any provision in this Agreement requiring you to sign a general release of claims against us does not release any claim you may have under New York General Business Law, Article 33, Sections 680-695.
4. The following sentence is added to Section 16.1:  
  
We will not assign our rights under this Agreement, except to an assignee who in our good faith and judgment is willing and able to assume our obligations under this Agreement.
5. The following sentence is added to the end of Sections 15, 20.4, 26.8:  
  
Our right to obtain injunctive relief exists only after proper proofs are made and the appropriate authority has granted such relief.
6. The following sentence is added to the end of Section 26.2:  
  
Notwithstanding the foregoing, the New York Franchises Law shall govern any claim arising under that law.
7. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.
8. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.
9. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

**IN WITNESS WHEREOF**, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

**GOJOE PATROL FRANCHISING, LLC**

**FRANCHISEE:**

**If a corporation, partnership, or limited liability company, print name of business entity on the line below:**

\_\_\_\_\_

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

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

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

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

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

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

**EFFECTIVE DATE:** \_\_\_\_\_

**If Franchisee is one or more individuals:**

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

**ADDENDUM TO THE GOJOE PATROL DEVELOPMENT AGREEMENT  
REQUIRED FOR NORTH DAKOTA DEVELOPERS**

This Addendum to the GoJoe Patrol Development Agreement dated \_\_\_\_\_ (“**Development Agreement**”) is entered into by and between **GoJoe Patrol Franchising, LLC**, a Washington limited liability company (“**we**”, “**us**” or “**Franchisor**”) and \_\_\_\_\_, a \_\_\_\_\_ [insert type of organization and delete these brackets] formed in \_\_\_\_\_ [insert state and delete these brackets] (“**you**” or “**Developer**”) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to you was made in the State of North Dakota; **(B)** you are a resident of the State of North Dakota; and/or **(C)** part or all of the Development Area is located in the State of North Dakota.

2. The following is added to the end of Section 2.1 of the Development Agreement:

Notwithstanding the foregoing, we will defer the payment of the Development Fee until the first Franchised Business that you develop under this Agreement opens for business. Upon the opening of the first Franchised Business, you will pay to us the Development Fee.

3. The North Dakota Securities Commissioner has held the following to be unfair, unjust, or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

A. Restrictive Covenants: Franchise disclosure documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.

B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.

C. Restriction on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

E. Applicable Laws: Franchise agreements which specify that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.

F. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.

G. Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

H. General Release: Requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.

I. Limitation of Claims: Requiring that North Dakota franchisees to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

J. Enforcement of Agreement: Requiring that North Dakota franchisees to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in

any enforcement action is entitled to recover all costs and expenses including attorney's fees.

4. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
5. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement.
6. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.
7. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

**IN WITNESS WHEREOF**, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

**GOJOE PATROL FRANCHISING, LLC**

**DEVELOPER:**

**If a corporation, partnership, or limited liability company, print name of business entity on the line below:**

\_\_\_\_\_

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

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

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

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

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

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

**EFFECTIVE DATE:** \_\_\_\_\_

**If Developer is one or more individuals:**

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

**ADDENDUM TO THE GOJOE PATROL FRANCHISE AGREEMENT  
REQUIRED FOR NORTH DAKOTA FRANCHISEES**

This Addendum to the GoJoe Patrol Franchise Agreement dated \_\_\_\_\_ (“**Franchise Agreement**”) is entered into by and between **GoJoe Patrol Franchising, LLC**, a Washington limited liability company (“**we**”, “**us**” or “**Franchisor**”) and \_\_\_\_\_, a \_\_\_\_\_ [*insert type of organization and delete these brackets*] formed in \_\_\_\_\_ [*insert state and delete these brackets*] (“**you**” or “**Franchisee**”) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to you was made in the State of North Dakota; **(B)** you are a resident of the State of North Dakota; and/or **(C)** the Franchised Business will be located in the State of North Dakota.

2. The following is added to the end of Section 4.1 of the Franchise Agreement:

Notwithstanding the foregoing, we will defer the payment of the Initial Franchise Fee until the Franchised Business opens for business. Upon the opening of the Franchised Business, you shall pay the Initial Franchise Fee to us.

3. The North Dakota Securities Commissioner has held the following to be unfair, unjust, or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

A. Restrictive Covenants: Franchise disclosure documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.

B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.

C. Restriction on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

E. Applicable Laws: Franchise agreements which specify that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.

F. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.

G. Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

H. General Release: Requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.

I. Limitation of Claims: Requiring that North Dakota franchisees to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

J. Enforcement of Agreement: Requiring that North Dakota franchisees to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in

any enforcement action is entitled to recover all costs and expenses including attorney's fees.

- 4. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
- 5. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.
- 6. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.
- 7. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

**IN WITNESS WHEREOF**, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

**GOJOE PATROL FRANCHISING, LLC**

**FRANCHISEE:**

**If a corporation, partnership, or limited liability company, print name of business entity on the line below:**

\_\_\_\_\_

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

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

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

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

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

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

**EFFECTIVE DATE:** \_\_\_\_\_

**If Franchisee is one or more individuals:**

\_\_\_\_\_  
(Print Name)\_\_\_\_\_

\_\_\_\_\_  
(Print Name)\_\_\_\_\_

**ADDENDUM TO THE GOJOE PATROL DEVELOPMENT AGREEMENT  
REQUIRED FOR RHODE ISLAND DEVELOPERS**

This Addendum to the GoJoe Patrol Development Agreement dated \_\_\_\_\_ (“**Development Agreement**”) is entered into by and between **GoJoe Patrol Franchising, LLC**, a Washington limited liability company (“**we**”, “**us**”, “**our**” or “**Franchisor**”) and \_\_\_\_\_, a \_\_\_\_\_ [insert type of organization and delete these brackets] formed in \_\_\_\_\_ [insert state and delete these brackets] (“**you**” or “**Developer**”) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to you was made in the State of Rhode Island; **(B)** you are a resident of the State of Rhode Island; and/or **(C)** part or all of the Development Area is located in the State of Rhode Island.
2. The following language is added to Section 8:  
  
Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”
3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement.
4. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

[Signature page follows.]

**IN WITNESS WHEREOF**, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

**GOJOE PATROL FRANCHISING, LLC**

**DEVELOPER:**

**If a corporation, partnership, or limited liability company, print name of business entity on the line below:**

\_\_\_\_\_

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

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

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

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

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

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

**EFFECTIVE DATE:** \_\_\_\_\_

**If Developer is one or more individuals:**

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

**ADDENDUM TO THE GOJOE PATROL FRANCHISE AGREEMENT  
REQUIRED FOR RHODE ISLAND FRANCHISEES**

This Addendum to the GoJoe Patrol Franchise Agreement dated \_\_\_\_\_ (“**Franchise Agreement**”) is entered into by and between **GoJoe Patrol Franchising, LLC**, a Washington limited liability company (“**we**”, “**us**” or “**Franchisor**”) and \_\_\_\_\_, a \_\_\_\_\_ [*insert type of organization and delete these brackets*] formed in \_\_\_\_\_ [*insert state and delete these brackets*] (“**you**”, “**your**” or “**Franchisee**”) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to you was made in the State of Rhode Island; **(B)** you are a resident of the State of Rhode Island; and/or **(C)** the Franchised Business will be located in the State of Rhode Island.
2. The following language is added to Sections 26.2 and 26.3:  
  
Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”
3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.
4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.
5. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

[Signature page follows.]

**IN WITNESS WHEREOF**, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

**GOJOE PATROL FRANCHISING, LLC**

**FRANCHISEE:**

**If a corporation, partnership, or limited liability company, print name of business entity on the line below:**

\_\_\_\_\_

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

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

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

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

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

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

**EFFECTIVE DATE:** \_\_\_\_\_

**If Franchisee is one or more individuals:**

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

**ADDENDUM TO THE GOJOE PATROL DEVELOPMENT AGREEMENT  
REQUIRED FOR SOUTH DAKOTA DEVELOPERS**

This Addendum to the GoJoe Patrol Development Agreement dated \_\_\_\_\_ (“**Development Agreement**”) is entered into by and between **GoJoe Patrol Franchising, LLC**, a Washington limited liability company (“**we**”, “**us**” or “**Franchisor**”) and \_\_\_\_\_, a \_\_\_\_\_ [insert type of organization and delete these brackets] formed in \_\_\_\_\_ [insert state and delete these brackets] (“**you**” or “**Developer**”) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

1. The provisions of this Addendum form an integral part of, and are incorporated into the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the State of South Dakota; **(B)** Developer is a resident of the State of South Dakota; **(C)** part or all of any Development Area is located in the State of South Dakota; and/or **(D)** a Franchised Business will be located or operated in the State of South Dakota.
2. The following sentence is added to the end of Section 2 (Fees):  
  
Notwithstanding the foregoing, we shall defer the payment of the Development Fee until the first Franchised Business that you develop under this Agreement opens for business. Upon the opening of the first Franchised Business, you shall pay the Development Fee to us.
3. Any capitalized term that is not defined in this Addendum shall have the meaning given it in the Development Agreement.
4. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.
5. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

**IN WITNESS WHEREOF**, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

**GOJOE PATROL FRANCHISING, LLC**

**DEVELOPER:**

**If a corporation, partnership, or limited liability company, print name of business entity on the line below:**

\_\_\_\_\_

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

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

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

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

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

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

**EFFECTIVE DATE:** \_\_\_\_\_

**If Developer is one or more individuals:**

\_\_\_\_\_  
(Print Name)\_\_\_\_\_

\_\_\_\_\_  
(Print Name)\_\_\_\_\_

**ADDENDUM TO THE GOJOE PATROL FRANCHISE AGREEMENT  
REQUIRED FOR SOUTH DAKOTA FRANCHISEES**

This Addendum to the GoJoe Patrol Franchise Agreement dated \_\_\_\_\_ (“**Franchise Agreement**”) is entered into by and between **GoJoe Patrol Franchising, LLC**, a Washington limited liability company (“**we**”, “**us**” or “**Franchisor**”) and \_\_\_\_\_, a \_\_\_\_\_ [*insert type of organization and delete these brackets*] formed in \_\_\_\_\_ [*insert state and delete these brackets*] (“**you**” or “**Franchisee**”) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of South Dakota; **(B)** Franchisee is a resident of the State of South Dakota; and/or **(C)** a Franchised Business will be located or operated in the State of South Dakota.
2. The following sentence is added to the end of Section 4.1 (Initial Franchise Fee):  
  
Notwithstanding the foregoing, we shall defer the payment of the Initial Franchise Fee until the Franchised Business opens for business. Upon the opening of the Franchised Business, you shall pay the Initial Franchise Fee to us.
3. Any capitalized term that is not defined in this Addendum shall have the meaning given it in the Franchise Agreement.
4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.
5. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

**IN WITNESS WHEREOF**, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

**GOJOE PATROL FRANCHISING, LLC**

**FRANCHISEE:**

**If a corporation, partnership, or limited liability company, print name of business entity on the line below:**

\_\_\_\_\_

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

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

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

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

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

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

**EFFECTIVE DATE:** \_\_\_\_\_

**If Franchisee is one or more individuals:**

\_\_\_\_\_  
(Print Name)\_\_\_\_\_

\_\_\_\_\_  
(Print Name)\_\_\_\_\_

**ADDENDUM TO THE GOJOE PATROL DEVELOPMENT AGREEMENT  
REQUIRED FOR VIRGINIA DEVELOPERS**

This Addendum to the GoJoe Patrol Development Agreement dated \_\_\_\_\_ (“**Development Agreement**”) is entered into by and between **GoJoe Patrol Franchising, LLC**, a Washington limited liability company (“**we**”, “**us**” or “**Franchisor**”) and \_\_\_\_\_, a \_\_\_\_\_ *[insert type of organization and delete these brackets]* formed in \_\_\_\_\_ *[insert state and delete these brackets]* (“**you**” or “**Developer**”) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

- 1 The following language is added to the end of Section 2 of the Development Agreement:

Notwithstanding the foregoing, in the Commonwealth of Virginia, we will defer the payment of the Development Fee until we complete our initial obligations and you open the first GoJoe Patrol Business that you develop under this Agreement. At that time, you shall pay the Development Fee to us. The Virginia Attorney General’s Office imposed this deferral requirement due to our financial condition.

- 2 Any capitalized term that is not defined in this Addendum shall have the meaning given it in the Development Agreement.
- 3 Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.
- 4 This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

[Signatures follow on next page.]

**IN WITNESS WHEREOF**, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

**GOJOE PATROL FRANCHISING, LLC**

**DEVELOPER:**

**If a corporation, partnership, or limited liability company, print name of business entity on the line below:**

\_\_\_\_\_

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

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

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

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

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

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

**EFFECTIVE DATE:** \_\_\_\_\_

**If Developer is one or more individuals:**

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

**ADDENDUM TO THE GOJOE PATROL FRANCHISE AGREEMENT  
REQUIRED FOR VIRGINIA FRANCHISEES**

This Addendum to the GoJoe Patrol Franchise Agreement dated \_\_\_\_\_ (“**Franchise Agreement**”) is entered into by and between **GoJoe Patrol Franchising, LLC**, a Washington limited liability company (“**we**”, “**us**” or “**Franchisor**”) and \_\_\_\_\_, a \_\_\_\_\_ [*insert type of organization and delete these brackets*] formed in \_\_\_\_\_ [*insert state and delete these brackets*] (“**you**” or “**Franchisee**”) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

- 1 The following is added to the end of Section 4.1 of the Franchise Agreement:

Notwithstanding the foregoing, we will defer the payment of the Initial Franchise Fee until the Franchised Business opens for business. Upon the opening of the Franchised Business, you shall pay the Initial Franchise Fee to us.

- 2 Any capitalized term that is not defined in this Addendum shall have the meaning given it in the Franchise Agreement.
- 3 Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.
- 4 This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

[Signatures follow on next page.]

**IN WITNESS WHEREOF**, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

**GOJOE PATROL FRANCHISING, LLC**

**FRANCHISEE:**

**If a corporation, partnership, or limited liability company, print name of business entity on the line below:**

\_\_\_\_\_

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

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

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

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

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

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

**EFFECTIVE DATE:** \_\_\_\_\_

**If Franchisee is one or more individuals:**

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

## **WASHINGTON ADDENDUM TO THE DEVELOPMENT AGREEMENT AND RELATED AGREEMENTS**

This Addendum to the GoJoe Patrol Development Agreement dated \_\_\_\_\_ (“Development Agreement”) is entered into by and between GoJoe Patrol Franchising, LLC, a Washington limited liability company (“we,” “us” or “Franchisor”) and \_\_\_\_\_, a \_\_\_\_\_ [*insert type of organization and delete these brackets*] formed in \_\_\_\_\_ [*insert state and delete these brackets*] (“you” or “Developer”) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

- 1 **Background.** The provisions of this Addendum form an integral part of, are incorporated into, and modify the Development Agreement regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.
- 2 **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
- 3 **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the Development Agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the Development Agreement or related agreements concerning your relationship with the franchisor. Development agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
- 4 **Site of Arbitration, Mediation, and/or Litigation.** 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 Development 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.
- 5 **General Release.** A release or waiver of rights in the Development Agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
- 6 **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the Development Agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
- 7 **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.
- 8 **Termination by Franchisee.** The franchisee may terminate the Development Agreement under any grounds permitted under state law.
- 9 **Certain Buy-Back Provisions.** Provisions in Development Agreements or related agreements that permit the franchisor to repurchase the franchisee’s business for any reason during the term of the

Development Agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

- 10 **Fair and Reasonable Pricing.** Any provision in the Development Agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
- 11 **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
- 12 **Franchisor's Business Judgement.** Provisions in the Development Agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
- 13 **Indemnification.** Any provision in the Development Agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
- 14 **Attorneys' Fees.** If the Development Agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
- 15 **Noncompetition Covenants.** 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 provision contained in the Development Agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
- 16 **Nonsolicitation Agreements.** 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 Development Agreement or elsewhere are void and unenforceable in Washington.
- 17 **Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
- 18 **Prohibitions on Communicating with Regulators.** Any provision in the Development Agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

19 **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

20 **Fee Deferral.** The following is added to the end of Section 2.1 of the Development Agreement:

Because Franchisor has material pre-opening obligations with respect to each Franchised Business that Developer opens under the Development Agreement, payment of the Development Fee will be released proportionally with respect to each Franchised Business opened and is deferred until Franchisor has met all its pre-opening obligations under the Franchise Agreement and Developer is open for business with respect to each such Franchised Business.

21 **Miscellaneous.**

21.1 Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement.

21.2 Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

**IN WITNESS WHEREOF**, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

**FRANCHISOR:**  
**GOJOE PATROL FRANCHISING, LLC**

**DEVELOPER:**  
**If a corporation, partnership, or limited liability company, print name of business entity on the line below:**

\_\_\_\_\_

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

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

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

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

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

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

**EFFECTIVE DATE:** \_\_\_\_\_

**If Developer is one or more individuals:**

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

## WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT AND RELATED AGREEMENTS

This Addendum to the GoJoe Patrol Franchise Agreement dated \_\_\_\_\_ (“Franchise Agreement”) is entered into by and between GoJoe Patrol Franchising, LLC, a Washington limited liability company (“we,” “us” or “Franchisor”) and \_\_\_\_\_, a \_\_\_\_\_ [insert type of organization and delete these brackets] formed in \_\_\_\_\_ [insert state and delete these brackets] (“you” or “Franchisee”) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

- 1 **Background.** The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Agreement regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.
- 2 **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
- 3 **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the Franchise Agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the Franchise Agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
- 4 **Site of Arbitration, Mediation, and/or Litigation.** 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.
- 5 **General Release.** A release or waiver of rights in the Franchise Agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
- 6 **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the Franchise Agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
- 7 **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.
- 8 **Termination by Franchisee.** The franchisee may terminate the Franchise Agreement under any grounds permitted under state law.
- 9 **Certain Buy-Back Provisions.** Provisions in Franchise Agreements or related agreements that permit the franchisor to repurchase the franchisee’s business for any reason during the term of the

Franchise Agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

- 10 **Fair and Reasonable Pricing.** Any provision in the Franchise Agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
- 11 **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the Franchise Agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
- 12 **Franchisor's Business Judgement.** Provisions in the Franchise Agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
- 13 **Indemnification.** Any provision in the Franchise Agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
- 14 **Attorneys' Fees.** If the Franchise Agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
- 15 **Noncompetition Covenants.** 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 provision contained in the Franchise Agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
- 16 **Nonsolicitation Agreements.** 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.
- 17 **Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
- 18 **Prohibitions on Communicating with Regulators.** Any provision in the Franchise Agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

**19 Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

**20 Fee Deferral.** The following is added to the end of Section 4.1 of the Franchise Agreement:

In lieu of an impound of franchise fees, Franchisor will not require or accept the payment of any initial franchise fees until Franchisee has (a) received all initial training that it is entitled to under the Franchise agreement or disclosure document, and (b) is open for business.

**21 Miscellaneous.**

21.1 Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

21.2 Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

**IN WITNESS WHEREOF**, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

**FRANCHISOR:  
GOJOE PATROL FRANCHISING, LLC**

**FRANCHISEE:  
If a corporation, partnership, or limited liability company, print name of business entity on the line below:**

\_\_\_\_\_

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

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

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

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

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

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

**EFFECTIVE DATE:** \_\_\_\_\_

**If Franchisee is one or more individuals:**

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

\_\_\_\_\_  
(Print Name) \_\_\_\_\_

**EXHIBIT G**  
**FRANCHISEE QUESTIONNAIRE**

**FRANCHISEE QUESTIONNAIRE  
TO BE COMPLETED BEFORE  
SIGNING A GOJOE PATROL FRANCHISE AGREEMENT**

You are preparing to enter into a GoJoe Patrol Franchise Agreement with GoJoe Patrol Franchising, LLC (“we” “our” or “us”). Please review each of the following questions carefully and provide complete responses to each question.

1. Have we provided you with a Franchise Disclosure Document at least 14 calendar days (or the earlier of the first personal meeting or 10 business days if you are a prospect based in or will operate in New York; the earlier of the first personal meeting or 14 days if you are a prospect based in or will operate in Iowa; or 10 business days if you are a prospect based in or will operate in Michigan) before you signed any agreements or paid any money or other consideration to us or our affiliates?

Yes \_\_\_ No \_\_\_

2. Did you sign a Receipt indicating the date on which you received the Franchise Disclosure Document?

Yes \_\_\_ No \_\_\_

3. Please list any questions you have regarding the franchise opportunity that you would like to discuss prior to signing the Franchise Agreement. (Attach additional pages, if necessary.)

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4. Please list any information provided to you by any employee or other person speaking on our behalf concerning the sales, revenue, profits, or operating costs of one or more GoJoe Patrol businesses operated by us, our affiliates, or our franchisees or that you may earn or experience that is in addition to the information contained in the Franchise Disclosure Document:

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*Do not sign this document if you are a resident of or intend to operate the Franchised Business in the states of California, Maryland or Washington.*

*All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under any state franchise registration and disclosure law.*

Franchise Applicant:

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

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

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

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

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

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

**EXHIBIT H**  
**LIST OF FRANCHISEES**

**GOJOE PATROL**

**LIST OF FRANCHISED BUSINESSES AS OF DECEMBER 31, 2024**

<b>Franchisee</b>	<b>Business Address</b>	<b>Territory</b>	<b>State</b>	<b>Phone</b>	<b>Contact</b>
J&M Security Services LLC	30 Russell Road Bluffton, SC 29910	Low Country, SC & Chatham County, GA	SC	949-350-4358	Jamey Jameson
Lyon Park Holdings LLC	6312 Seven Corners Center, #415 Falls Church, VA 22044	Fairfax County	VA	703-472-8555	Friederich (Derick) Kraft

**LIST OF FRANCHISEES THAT HAVE SIGNED A FRANCHISE AGREEMENT BUT THE FRANCHISED BUSINESS IS NOT YET OPEN AS OF DECEMBER 31, 2024**

NONE

**LIST OF FRANCHISEES THAT CLOSED, TRANSFERRED OR HAD A FRANCHISE AGREEMENT TERMINATED OR NOT RENEWED AS OF DECEMBER 31, 2024**

NONE

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

**EXHIBIT I**  
**STATE EFFECTIVE DATES**

## STATE EFFECTIVE DATES

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

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

<b>STATE</b>	<b>EFFECTIVE DATE</b>
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

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

**EXHIBIT J**  
**RECEIPTS**

**RECEIPT**

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

If GoJoe Patrol Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that GoJoe Patrol Franchising, LLC gives you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Iowa requires that GoJoe Patrol Franchising, LLC gives you this disclosure document at the earlier of the first personal meeting or 14 calendar days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Michigan requires that GoJoe Patrol Franchising, LLC gives you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If GoJoe Patrol Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to your state authority listed on Exhibit C.

The franchisor is GoJoe Patrol Franchising, LLC with a principal business address of 7011 E Trent Avenue, Suite 103, Spokane Valley, Washington 99212. Its telephone number is 509.869.0088. GoJoe Patrol Franchising, LLC authorizes the respective state agencies listed in Exhibit C to receive service of process of it in the particular state.

The issuance date of this Franchise Disclosure Document is April 28, 2025.

The name, principal business address, and telephone number of the franchise sellers offering the franchise are: Major Bambino, Executive Vice President of Franchise Operations and Training, and Harry Sladich, Chief Development Officer, GoJoe Patrol Franchising LLC, 7011 E Trent Avenue, Suite 103, Spokane Valley, Washington 99212, 509-953-3196.

I received a disclosure document dated April 28, 2025 that included the following exhibits:

- A Franchise Agreement
- B Development Agreement
- C List of State Administrators and Agents for Service of Process
- D Manual Table of Contents
- E Financial Statements
- F State Specific Agreement Addenda
- G Franchisee Questionnaire
- H List of Franchisees
- I State Effective Dates
- J Receipts

\_\_\_\_\_  
Date Received

\_\_\_\_\_  
Prospective Franchisee

\_\_\_\_\_  
Name (Please print)

\_\_\_\_\_  
Address

*Please keep this copy of the receipt with your FDD*

**RECEIPT**

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

If GoJoe Patrol Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that GoJoe Patrol Franchising, LLC gives you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Iowa requires that GoJoe Patrol Franchising, LLC gives you this disclosure document at the earlier of the first personal meeting or 14 calendar days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Michigan requires that GoJoe Patrol Franchising, LLC gives you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If GoJoe Patrol Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to your state authority listed on Exhibit C.

The franchisor is GoJoe Patrol Franchising, LLC with a principal business address of 7011 E Trent Avenue, Suite 103, Spokane Valley, Washington 99212. Its telephone number is 509.869.0088. GoJoe Patrol Franchising, LLC authorizes the respective state agencies listed in Exhibit C to receive service of process of it in the particular state.

The issuance date of this Franchise Disclosure Document is April 28, 2025.

The name, principal business address, and telephone number of the franchise sellers offering the franchise are: Major Bambino, Executive Vice President of Franchise Operations and Training, and Harry Sladich, Chief Development Officer, GoJoe Patrol Franchising LLC, 7011 E Trent Avenue, Suite 103, Spokane Valley, Washington 99212, 509-953-3196.

I received a disclosure document dated April 28, 2025 that included the following exhibits:

- A Franchise Agreement
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- E Financial Statements
- F State Specific Agreement Addenda
- G Franchisee Questionnaire
- H List of Franchisees
- I State Effective Dates
- J Receipts

\_\_\_\_\_  
Date Received

\_\_\_\_\_  
Prospective Franchisee

\_\_\_\_\_  
Name (Please print)

\_\_\_\_\_  
Address

*Please sign, date, and return this copy of the receipt to us.*