

## FRANCHISE DISCLOSURE DOCUMENT



GoMo Tires LLC  
a Florida limited liability company  
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Oregon 97123  
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[www.GoMobileTires.com](http://www.GoMobileTires.com)

You will operate a branded mobile vehicle tire and oil change business that replaces customers' tires, wheels and oil under the GoMobile Tires trademarks

The total investment necessary to begin the operation of a GoMobile Tires franchise ranges from \$258,100 to \$307,600. This includes \$70,000 to \$280,000 payable to the franchisor or its affiliate(s). This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

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

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

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

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

Issuance Date: March 28, 2024

## How to Use This Franchise Disclosure Document

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

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

## What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

### Some States Require Registration

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

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

## Special Risks to Consider About This Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Oregon. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Oregon than in your own state.
2. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.
3. **Early Stage of Development.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
4. **Use of Franchise Brokers.** The franchisor may use the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

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

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## **Item 1**

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

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

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

Our registered agents for service of process are outlined in Exhibit C to this disclosure document. The Franchises We Offer, GoMobile Tires: We license our GoMobile Tires franchisees to own and to operate franchises under the “GoMobile Tires” and “Gomo Tires” names and marks. We authorize our GoMobile Tires franchisees to operate mobile vehicle tire businesses that replace customers’ tires and/or wheels and to use our System and our Marks in the operations of the franchisee’s business.

Multiple Franchise Purchasers: We may offer to qualified prospects the opportunity to purchase multiple franchises simultaneously. Such franchises would be subject to a Development Schedule as described and defined in a Multiple Franchise Purchase Addendum (attached to the Franchise Agreement as Attachment 9). You would sign all the multiple Franchise Agreements and corresponding Multiple Franchise Purchase Addendums simultaneously up front (using the forms of agreement and addendum attached to this disclosure document).

### **Parents, Predecessors and Affiliates**

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

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

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

### **Market and Competition**

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

## **Laws**

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

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

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

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

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

## **Item 2** **Business Experience**

### **Derek Naidoo – Managing Member**

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

### **Joe Flores – Director of Franchise Business Development**

Joe Flores has served as our Director of Franchise Business Development in Los Angeles, California since our inception in 2020. He has served as a Managing Member for our affiliate, GoMobileTires USA, LLC, in Los Angeles, California since 2019. He served in the area of sales for Sarkis Motors in

Los Angeles, California from 2018 to 2020. Mr. Flores was General Manager for Blaque Diamond Wheels in Los Angeles, California from 2015 to 2018.

### **Item 3** **Litigation**

California Consent Order, FIL ORG ID: 365468

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

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

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

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

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

### **Item 4** **Bankruptcy**

No bankruptcy is required to be disclosed in this Item.

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

Initial Franchise Fee – GoMobile Tires

You are required to pay to us an Initial Franchise Fee of Forty Thousand Dollars (\$40,000.00) upon

signing the Franchise Agreement. The Initial Franchise Fee is paid in consideration of our sales expenses, administrative overhead, return on investment, and start-up costs related to the execution of the Franchise Agreement and the opening of the Franchise and for our lost or deferred opportunity to sell franchises in the Franchise Territory to others.

#### Initial Advertising Fee - GoMobile Tires

You are required to pay to us an Initial Advertising Fee of Thirty Thousand Dollars (\$30,000.00) upon signing the Franchise Agreement. This fee is for initial advertising and marketing in your market area during approximately the first three months of your business operations. As of the issuance date of this disclosure document, we use an advertising agency to manage such advertising and marketing. This may include TV, radio, Google ads, social media, billboards, and/or other mediums at our discretion.

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

You must purchase from us, our affiliate, or a supplier we designate (as we determine) your vehicle with our branding and certain initial equipment and supplies at a purchase price ranging from approximately \$150,000 to \$210,000 for a GoMobile Tires franchise. This amount is payable upon signing the Franchise Agreement. As of the issuance date of this disclosure document, such equipment and supplies include a tire changer, wheel balancer, compressors, battery power systems, oil change systems and SIM card for your electronic device. In this disclosure document, the branded vehicle and initial equipment and supplies are referred to as the "Start-Up Package."

#### Multiple Franchise Purchases

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

#### Financing

We do not finance any portion of the initial fees.

#### Non-Refundable

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

#### Miscellaneous

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

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

**Item 6**  
**Other Fees**

<b>Type of Fee</b>	<b>Amount</b>	<b>Date Due</b>	<b>Remarks</b>
Monthly Royalty Fee	7.5% of your monthly Gross Revenue <sup>1</sup>	Payable monthly by the 5 <sup>th</sup> day of each month <sup>2</sup> for the prior month	See Notes 1 and 2
Monthly Software Fee <sup>3</sup>	Then-current rates, currently \$450 per month per vehicle	Payable monthly as described in the Operations Manual	See Notes 2 and 3
Local Advertising Expenditure	2.5% of Your Monthly Gross Revenue  Annual minimum of \$25,000.	Payable monthly by the 5 <sup>th</sup> day of each month <sup>2</sup> for the prior month	Paid to us
Additional Training at Franchisee's Request	Then-current rates, currently \$500 per day. You are responsible for your and our transportation, meals and lodging (and wages for your employees).	Before or after you open your franchise for business.	See Note 5.
Additional Training or Conventions Required or Offered by Franchisor	We may charge a training fee at our then- current rates, currently up to \$500 per day. You are responsible for your and our transportation, meals and lodging (and wages for your employees).	Before or after you open your franchise for business.	See Note 5.
Additional Training Required by Franchisor Based on Franchisee's Deficiency	Then-current rates, currently \$500 per day. You are responsible for your and our transportation, meals and lodging (and wages for your employees).	Before or after you open your franchise for business.	See Note 5.
Transfer Fee <sup>6</sup>	50% of our then- current Initial Franchise Fee (or \$2,500 if the owners of an entity franchisee are transferring less than 20% of the ownership interest in the entity)	Before transfer	Paid to us if you transfer your franchise. This amount covers our legal, accounting, credit check, and investigation expenses transfer. The Transfer Fee is subject to state law that result from the transfer. The transfer fee is subject to State Law. See Note 6.

Transfer Commission Fee	10% commission on the gross transfer price (excluding the price of real property)	Upon transfer	Paid to us if we obtain the transferee for you
Renewal Fee	50% of our then- current Initial Franchise Fee	Upon renewal	
Relocation	You will reimburse us for our reasonable out- of- pocket costs concerning the relocation.	Before relocation	
Late Charge	1.5% per month	Each month that amounts owed remain unpaid	You will not be compelled to pay late charges at a rate greater than the maximum allowed by applicable law.
Late Payment Penalty	5% of the amount due	As incurred	You will not be compelled to pay late payment penalty in an amount greater than the maximum allowed by applicable law.
Proposed Source Testing Costs	As incurred	As incurred	You must reimburse us for our out of pocket expenses and costs we incur to test new products or sources you request for approval (See Item 8 and Franchise Agreement Section 5.1).
Audit <sup>7</sup>	Our reasonable costs for the audit if you understate Gross Revenue by more than 2% or fail to deliver to us required reports on time	Immediately upon demand	See Note 7.
Cured Lease Breach Reimbursement Fee	As incurred	As Incurred	If we cure any breach by you under the lease or sublease, you must pay us the total amount of all costs and payments transfer. The Transfer Fee is subject to state law. we incur in effecting the cure.

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

Cost of Enforcement	As incurred	As incurred	We may recover from you the amount of our reasonable attorneys' fees and all other expenses we incur in enforcing your monetary and other obligations under the Franchise Agreement.
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All fees and expenses described in this Item 6 are nonrefundable and are uniformly imposed. Except as otherwise indicated in the preceding chart, we impose all fees and expenses listed and you must pay them to us.

Notes:

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

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

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

- 3) Monthly Software Fee. This fee is payable to us. As of the issuance date of this disclosure document, the Monthly Software Fee is for your use of the designated scheduling software and

- e-commerce site for the sale of tires (which will be tied to your location page on our main site).
- 4) Local Advertising Expenditure.
- a. Your minimum monthly spend 2.5% of Your Monthly Gross Revenue with an annual minimum of \$25,000 paid to us. All marketing will be done through our in-house marketing team. Additionally, you may create your own social media platforms for your franchise business, such as Facebook, Twitter, LinkedIn, blogs or other networking and sharing websites, they must abide by the requirements laid out in the operations manual.
- 5) Additional Training.
- a. *Requested by You.* Training requested by you will be at our headquarters or at other agreed upon locations. The duration and timing of this training is negotiable depending upon your needs and our availability.
- b. *Required or Offered by Us.* We may provide refresher training programs or seminars and may require that you and/or your manager(s) and/or your technician(s) attend and complete them to our satisfaction. Any new technician you hire must successfully complete our training program before servicing your customers. These programs and seminars will be held at locations we designate.
- c. *Additional Training Required by Franchisor Based on Franchisee's Deficiency.* We may require you to participate in additional training if you fail to meet our standards and specifications in the opening or operation of your Franchise as we determine at our discretion. This training will typically be held at our headquarters or your location at our discretion.
- d. You will not receive any compensation for services rendered by the trainee during any training. We may designate qualified franchisees, area representatives, or third parties to conduct some or all of your training.
- 6) Transfer Fee. The Transfer Fee is payable by you or the transferee if you transfer your franchise (see Franchise Agreement, Section 7.1). If you obtain a franchise by purchasing the business of one of our existing franchisees, then you may also incur certain costs associated with bringing your Franchised Operation into compliance with our requirements.
- 7) Audits. We may audit your reports, books, statements, business records, cash control devices, and tax returns at any time during normal business hours. Audits will be conducted at our expense unless you understate the Gross Revenue for any reported period or periods by more than 2% or unless you fail to deliver any required report of Gross Revenue or any required financial statement in a timely manner. In the event of an understatement or failure to deliver, you will reimburse us for all audit costs. These will include, among other things, the charges of any independent accountant and the travel expenses, room, board, and compensation of our employees incurred in connection with the audit. You will immediately pay all Royalty Fees and all other fees and late payment charges that the audit determines are owed (which we may deduct from payments we or our designated Billing Company collect from your customers). These payments will not prejudice any other remedies we may have under this Agreement or by law.

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

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

<b>Type of Expenditure</b>	<b>Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment Is Made</b>
Initial Franchise Fee <sup>1</sup>	\$40,000	Cash, Certified Check or Wire Transfer	Upon execution of the Franchise Agreement	Us
Initial Advertising Fee <sup>2</sup>	\$30,000	Cash, Certified Check or Wire Transfer	Upon execution of the Franchise Agreement	Us, Our Affiliate and/or Suppliers
Branded Vehicle <sup>3</sup>	\$65,000 to \$80,000	Cash, Certified Check or Wire Transfer	Upon execution of the Franchise Agreement	Us or Our Affiliate
Certain Initial <sup>3</sup> Equipment and Supplies <sup>3</sup>	\$95,000 - \$110,000	Cash, Certified Check or Wire Transfer	Upon execution of the Franchise Agreement	Us or Our Affiliate
Vehicle Delivery	\$2,000 to \$3,000	Cash, Certified Check or Wire Transfer	Prior to or upon receipt of vehicle(s)	Vehicle Transport Company
Payroll – 3 months	\$9,000 to \$12,000	As Incurred	As Incurred	Employees
Out-of-Pocket Expenses During Training <sup>7</sup>	\$1,000 to \$5,000	As Incurred	During Training	Airlines, Hotels, Restaurants, etc.
Licenses and Permits	\$100 to \$500	As Incurred	As Incurred	Government agencies, etc.
Professional Fees	\$1,000 to \$2,000	As Incurred	As Incurred	Professionals (such as Accountant or Lawyer)
Insurance (Annual)	\$7,000 to \$8,500	As Incurred	Before Opening	Insurers
Rent for Office or Warehouse (if Applicable) – 3 months <sup>8</sup>	\$1,500 to \$3,600 (\$0 to \$1,200 per month)	As Incurred	As Incurred	Landlord
Smart Phone or Tablet	\$500 to \$1,000	As Incurred	Before Opening	Suppliers
Miscellaneous Opening Costs	\$1,000 to \$2,000	As Incurred	As Incurred	Suppliers, Utilities, etc.

Additional Funds – 3 months <sup>9</sup>	\$5,000 to \$10,000	As Incurred	As Incurred	Employees, Suppliers, Utilities, etc.
<b>Total</b> <sup>10, 11</sup>	<b>\$258,100 - \$307,600</b>			

### Notes

1. Initial Franchise Fees. You are required to pay to us the Initial Franchise Fee upon signing the Franchise Agreement.
2. Initial Advertising Fees. You are required to pay to us the Initial Advertising Fee upon signing the Franchise Agreement. This fee is for initial advertising and marketing we will conduct or manage through third parties in your market area during approximately the first three months of your business operations.
3. Branded Vehicle and Certain Initial Equipment and Supplies. You must purchase from us or our affiliate your vehicle with our branding and certain initial equipment and supplies. This amount is payable upon signing the Franchise Agreement.
4. Computer Hardware and Software. Computer hardware and software is required as outlined in the Operations Manual. The low-end of the estimate assumes you already have certain computer hardware and software that meets our criteria. You must have or purchase a computer, printer and have telephone and high-speed internet consistent with minimum requirements and standards that may be outlined in the Franchise Agreement and the Operations Manual.
5. Other Equipment and Supplies. You must purchase other equipment and supplies consistent with the operational needs of your Franchise and as may be required in our Operations Manual.
6. Initial Inventory. You must purchase inventory as outlined in the Operations Manual.
7. Training. The costs of training are included in your Initial Franchise Fee. The estimates in the above table cover out-of-pocket expenses that you incur associated with the training. These estimates are based on one or two people attending training. We will have no obligation to provide initial training at our expense except for your first franchise. Additional training is outlined in Item 11, below.
8. Rent for Office or Warehouse. The low-end estimate assumes operation from a 1,000SF warehouse, while the high-end estimate assumes operation from a 3,000SF office/warehouse. You may not operate from a home office.
9. Initial Start-Up Phase and Working Capital. We estimate that the initial phase covered by the additional funds estimate to be approximately three months. Additional funds are provided only as estimates and apply only to your initial three months of operations of your first Franchise. The high and low range estimates are based on our affiliate's experience in opening and operating one or more similar businesses. We believe that these figures provide an accurate minimum estimate of the additional funds necessary for the initial three-month phase of operations for your first franchise only. This is only an estimate, and we cannot guarantee that the amounts specified will be adequate. The investment and expenditures required of actual franchisees may vary considerably from the projections outlined in this Item 6, depending on many factors, including geographical area, the amount of space leased by you, if any, and the capabilities of any particular management and service team.
10. Multiple Franchise Purchases. You should expect to incur these expenses for each separate franchise you purchase.
11. Refunds and Financing. Fees you pay to us or our affiliates are non-refundable (except as otherwise provided in Item 5, if applicable). Fees you pay to third parties may or may not be

refundable depending upon the agreements you have with them. We do not finance any of these initial expenses.

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

## **Item 8** **Restrictions on Sources of Products and Services**

### **Products, Equipment and Services**

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

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

You must purchase all tires for your GoMobile Tires franchise from us or our affiliates as we designate.

You must also purchase from us, our affiliate, or a supplier we designate, your vehicle with our branding and certain initial equipment and supplies. Such equipment and supplies include the following: tire changer, wheel balancer, and compressors; battery power systems (including solar); oil change systems and mobile wheel alignment diagnostics systems; tire pressure monitoring systems; your initial uniforms; SIM card for your electronic device; and Bluetooth card reader for receiving customer payments.

You must also purchase the following categories of items and/or services from our approved or designated suppliers: certain tire pressure monitoring system products, tires and wheels, and delivery of your vehicle(s) by a approved vehicle transport company.

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

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

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

You must have high-speed internet consistent with our minimum standards and specifications. You must purchase all other items and/or services in compliance with our minimum standards and

specifications as may be outlined in our Operations Manual. These include but are not limited to consumables, wheel weights, cleaning materials, office supplies, hand tools, and smartphone or tablet. We will supply your phone number via a SIM card into your device; we will manage the SIM card and its data.

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

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

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

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

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

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

We and our affiliate may receive rebates, price adjustments, or discounts on products or services sold to you by recommended or approved suppliers. For the GoMobile Tires franchise, we anticipate receiving rebates from approved suppliers of the following goods and/or services: certain tire pressure

monitoring system products (these rebates are based on franchisee purchases and range from 5% to 10% of the purchase price) and tires (these rebates are based on purchases and range from 1% to 1.5% of the purchase price). During our last fiscal year, ending August 31, 2023, we received \$3,853 in rebates and discounts from approved suppliers (which was 0.4% of our total revenue).

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

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

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

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

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

### Insurance

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

1. You must, at your own cost and expense, acquire and maintain at all times while you are a franchisee, with carriers satisfactory to us, sufficient insurance to adequately protect the respective interests of the parties, including your indemnity obligations under the Franchise Agreement. Specifically, during the term of the Franchise Agreement, you must maintain in force policies of insurance with the following minimum limits of coverage for each Franchise:
  - A. Broad form commercial general liability coverage, on an occurrence form (including premises and operations, products and completed operations, personal & advertising injury, broad form contractual, and employers liability), against claims for bodily injury, personal injury, including death, and property damage with minimum limits of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate for each coverage;
  - B. All risk property insurance including equipment breakdown for the full replacement cost sufficient to cover all business personal property including contents, leasehold improvements, furniture, fixtures, equipment, and signs;
  - C. Loss of income including extra expense insurance with sufficient limits to cover all ongoing expenses, including, future profits, royalty fees, advertising contributions, ordinary payroll

for competent personnel and other fixed expenses for a minimum of 24 months from the date of loss;

- D. Plate glass insurance (if applicable);
  - E. Worker's compensation and employer's liability insurance in statutory amounts;
  - F. Unemployment insurance and state disability as required by governing laws;
  - G. Business automobile liability, including bodily injury and property damage coverage for all owned, non-owned and hired vehicles, with limits of not less than \$1,000,000 for injuries to persons resulting from any one accident, and \$500,000 for property damage resulting from any one accident;
  - H. Commercial umbrella liability insurance with limits not less than \$2,000,000 each occurrence. The umbrella liability will be on a following form basis of the underlying policies (commercial general liability, premises and operations, products and completed operations, personal and advertising injury, automobile and employers liability);
  - I. Blanket employee dishonesty coverage with minimum limits of not less than \$50,000;
  - J. Monies and securities (crime) coverage with limits of not less than \$10,000 inside limit and \$5,000 outside limit; and
  - K. Cyber and privacy liability with minimum limits of \$30,000, including crisis management and data extortion expense.
2. You must also maintain such additional insurance as is necessary to comply with all legal requirements concerning insurance as well as any other insurance required by your landlord. We may periodically increase the amounts of coverage required under such insurance policies and require different or additional kinds of insurance at any time (upon 60 days' advance notice), including higher liability limits, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances.
3. Each insurance policy shall: (1) name franchisor and each of its affiliates, directors, agents and employees (as we may specify to you) as additional insureds (except for worker's compensation and employer's liability insurance coverage) on a primary, non-contributory basis and provide a waiver of subrogation rights against us;(2) provide for 30 days' prior written notice to us of any material modification, cancellation, or expiration of the policy; and (3) provide that coverage applies separately to each insured. In the case of property insurance, the franchisor parties must be named as their interests may appear. Insurance carriers must be authorized to do business in the state where your Franchise Office is located, be rated at least A-X with A.M. Best and approved by us. At our discretion, we may require you to purchase your insurance from a specific insurance carrier. Upon request, you must provide us with proof of insurance in compliance with the Franchise Agreement.

### **Item 9**

### **Franchisee's Obligations**

### **FRANCHISEE'S OBLIGATIONS**

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

<b>Obligation</b>	<b>Section in Franchise Agreement("FA")</b>	<b>Disclosure Document Item</b>
a. Site selection and acquisition or lease	8.1	Items 6 & 12
b. Pre-opening purchases and leases	8.2, 10.3, 12.3.1	Items 7 & 8
c. Site development and other pre-opening requirements	12.1.1	Items 7, 8 & 12
d. Initial and ongoing training	Article 7	Items 6 & 11
e. Opening	8.2	Item 11
f. Fees	5.1, 5.2.6, Article 6, 12.3.7, 12.6, 15.7, 16.4, 18.1.4, 18.1.5, 18.1.8	Items 5, 6 & 17
g. Compliance with standards & policies/Operations Manual	Article 9, 12.1, 19.1.1	Items 11 & 17
h. Trademarks and proprietary information	9.4, 12.1.8, Article 14, 19.2, 19.3, 19.4	Items 13, 14 & 17
i. Restrictions on products and services offered	12.1.2, 12.1.5, 12.6	Items 8, 12, 13, 16 & 17
j. Warranty and customer service requirements	Not applicable	Not applicable
k. Territorial development and sales quotas	13.2	Items 7 & 12
l. Ongoing product & service purchases	12.1.4, 12.3.5	Items 7 & 8
m. Maintenance, appearance and remodeling requirements	Article 9, 12.1.2, 12.1.5, 12.1.9	Items 7, 11 & 17
n. Insurance	Article 15	Items 7 & 8
o. Advertising	12.1.9, Article 13	Items 9 & 11
p. Indemnification	15.7, 16.3.6, 21.1	Item 6
q. Owner's participation/management/staffing	11.1, 11.3, 12.1.6	Items 11, 15 & 17
r. Records and reports	12.2	Items 6, 11 & 17
s. Inspections and audits	9.2, 12.1.7, 12.2.5	Items 6, 11 & 17
t. Transfer	Article 6	Item 17
u. Renewal	Article 5	Item 17
v. Post-termination obligations	Article 18	Item 17
w. Non-competition covenants	19.5	Item 17
x. Dispute resolution	Article 20	Item 17
<u>Obligation</u>	<u>Section in Franchise Agreement("FA")</u>	<u>Disclosure Document Item</u>

y. Other: Personal Guaranty	11.2.5, Attachment 7	Item 15
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**Item 10**  
**Financing**

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

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

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

**Pre-Opening Obligations**

Before you open your franchise, we will:

- 1) Designate your Franchise Territory in the Franchise Agreement before the Franchise Agreement is executed. (Franchise Agreement, Section 3.1) The exact determination of the Franchise Territory will depend upon your approval and our market analysis, market penetration plans and franchise placement strategies. Among the factors we consider to determine the feasibility of possible franchise territories are population demographics and competition.
- 2) Provide initial orientation and training to you and your designated manager (if any) and technician. (Franchise Agreement, Section 7.1)
- 3) Loan you a copy of the confidential Operations Manual. (Franchise Agreement, Section 10.2).
- 4) Provide your vehicle with our branding and certain initial equipment and supplies. (Franchise Agreement, Section 10.5)
- 5) Provide written standards and specifications regarding your equipment, fixtures, inventory, supplies, and décor (as applicable). (Franchise Agreement, Section 10.3)
- 6) Give you a list of approved or designated suppliers. (Franchise Agreement, Section 10.5)

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

**Time to Open**

The typical length of time between the signing of the Franchise Agreement or first payment of consideration for the Franchise and the opening of the Franchise for business is about 30 to 45 days. You must complete the mandatory training program and commence business operations within 30 days after you sign the Franchise Agreement. (Franchise Agreement, Section 8.2) Factors that may affect this time are finding and negotiating for the Franchise Office, arranging for the training session, financing and business permit requirements, obtaining initial equipment and vehicle(s), and your personal operational needs. Any failure caused by a war or civil disturbance, a natural disaster, a

labor dispute, shortages or other events beyond your reasonable control will be excused for a time that is reasonable under the circumstances.

### **Operations Manual Table of Contents**

The Operations Manual is confidential and remains our property. It contains mandatory and suggested specifications, standards and procedures. We may modify the Operations Manual, but the modifications will not alter your basic status and rights under the Franchise Agreement. The revisions may include advancements and developments in services, supplies, equipment, sales, marketing, operational techniques, and other items and procedures used for the operation of the franchise. (Franchise Agreement, Section 10.2) The table of contents of the current version of the Operations Manual and the number of pages in each section is included in Exhibit F.

### **Initial Training Program**

Before you commence your Franchise operations, we will provide you, your manager (if any), and your technician a mandatory initial training program that lasts approximately three days. A portion of the initial training program is held via online video conference and the other portion is held onsite in your Franchise Territory. We reserve the right to provide some or all of the training via webcast or other technology. The initial training program is included in the Initial Franchise Fee. Accommodations, travel, room, board, and wage expenses for any of your personnel during this period are borne by you. You must notify us of the identity(ies) of your designated manager (if any) and technician(s). The training program must be completed by all franchisees and their designated manager(s) (if any) and technician(s) unless, at our reasonable discretion, based upon a franchisee's, designated manager's, or technician's experience, it is deemed unnecessary. (Franchise Agreement, Section 3.1).

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

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

<b>Subject</b>	<b>Hours Of Online Training</b>	<b>Hours Of On-The-Job Training</b>	<b>Location</b>
Scheduling System	2		Via Online Video Conference
Point of Sale	2		
E-Commerce Application	2		
Standard Operating Procedures When Delivering Services	3		
Tire Changing Equipment		6	Onsite in Your Franchise Territory
Tire Pressure Monitoring System (TPMS) Programming and Replacement		4	

<b>Total</b>	<b>9</b>	<b>10</b>	
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For the GoMobile Tires franchise, our key trainers are Lee Breuning, Josh Lopez and Joe Flores. Lee has decades of experience in the tire equipment industry and is responsible for our technician training on the tire changers and wheel balancing equipment. Josh Lopez has served as our TPMS trainer since 2020 and in the same position for our affiliate since June 2019. His field experience in the subjects he teaches at training dates back to at least 1996. Joe Flores has been one of our Directors of Franchise Business Development since 2020 and for our affiliate since 2019. He is our tire and wheel purchasing expert. His experience in the subjects he teaches at training dates back to the 1970s. Other relevant background information is disclosed in Item 2, above. We also may use representatives of equipment manufacturers to provide certain elements of the training. We anticipate that each trainer will have at least approximately ten years of field experience in the subject(s) she/he teaches at training. We use the Operations Manual for instructional material.

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

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

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

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

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

**Additional Training**

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

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

transportation, meals and lodging, and wages for your employees.

*Additional Training Required by Franchisor Based on Franchisee's Deficiency.* We may require you to participate in additional training if you fail to meet our standards and specifications in the opening or operation of your Franchise as we determine at our discretion. This training will typically be held at our headquarters or your location at our discretion. We will charge a reasonable training fee at our then-current rates. You will be responsible for your and our transportation, meals and lodging, and wages for your employees. (Franchise Agreement, Section 3.2)

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

After you open your franchise, we will:

- 1) Provide additional training to you upon your request as described above. (Franchise Agreement, Section 10.7).
- 2) Administer our advertising program and formulate and conduct national and/or regional promotion programs. (Franchise Agreement, Section 13.1).
- 3) At our discretion, we may inspect the Franchise and conduct activities to ensure compliance with the terms of the Franchise Agreement and Operations Manual to assure consistent quality and service throughout our franchise system. (Franchise Agreement, Section 12.1.7).
- 4) At our discretion, we may inspect the facilities of your manufacturers, suppliers and distributors and notify you and the manufacturers, suppliers, and distributors in writing of any failure to meet our specifications and standards. (Franchise Agreement, Sections 12.7).
- 5) We may provide other supervision, assistance or services although we are not bound by the Franchise Agreement or any related agreement to do so. These may include, among other things, advertising materials, literature, additional assistance in training, promotional materials, bulletins on new products or services, and new sales and marketing developments and techniques.

### **Our Advertising and Brand Development**

You will not be required to pay us an advertising fee. We will direct any regional and/or national advertising programs we elect to establish. We will have sole discretion over the creative ideas, materials, endorsements, and placement of advertising and marketing. We may choose to develop our brand through any medium we choose, such as print, online, other technologies, and public relations. For brand development, we may choose to use an in-house advertising department or outside regional or national advertising agencies. We may provide you advertising materials for you to use in your local advertising and promotional efforts. We are under no obligation to advertise or promote the brand in your market area or any other market area. (Franchise Agreement, Section 13.1)

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

### **Advertising Approval / Webpage / Social Media**

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

*Promotional Materials and Local Advertising.* We may provide to you an advertising packet with

advertising templates we approve for you to use in your local advertising and promotional efforts. Otherwise, you will submit to us all advertising copy and other advertising and promotional materials before you use them in your local advertising program. You will not use any advertising copy or other promotional material until we approve it.

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

Your use of social media and other online mediums using our brand or promoting your franchise must be in strict compliance with our standards as outlined in our Operations Manual. We reserve the right to require you to get our prior approval of proposed venues and content for social media and other online mediums. We reserve the right to restrict or completely prohibit your use of social media and other online mediums using our brand or promoting your franchise. (Franchise Agreement, Sections 13.2 and 13.3)

### **Electronic Devices and Software**

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

You must have high-speed internet consistent with our minimum standards and specifications. The computer hardware and software are for communications, scheduling, accounting and record keeping.

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

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

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

Neither we nor our affiliates will have any obligation to provide any ongoing maintenance, repairs, upgrades or updates related to your computer software and hardware. However, you must upgrade or update your computer hardware and software as we may direct during the term of the franchise agreement. There are no contractual limitations on the frequency and cost of this obligation. We estimate that these updates or upgrades will be approximately \$0 to \$500 per year. (Franchise Agreement, Section 5.9)

## **Item 12**

## **Territory**

### **Protected Territory**

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

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

However, except as otherwise provided in this Item 12, we and our affiliates will not establish or allow others to service customers located within your Franchise Territory using our Marks and System so long as the Franchise Agreement is in force and you are not in default in any material provision of the Agreement, and except as provided in the paragraphs under the heading “Our Use of the Marks and GoMobile Tires Products and Services” below.

### **Franchise Office**

We do not provide assistance with selecting or approving your office location. Your office must be located within your Franchise Territory. You will be required to obtain a warehouse of a size ranging from 1,000 to 3,000 square feet in order to receive and store materials including tires and oil both new and used.

### **Relocation**

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

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

### **No Right of First Refusal**

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

franchises or to grant sub franchises.

### **Marketing and Providing Services**

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

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

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

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

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

### **Additional Offices and Vehicles**

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

### **Regional or National Accounts**

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

### **Renewal**

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

### **Multiple Franchise Purchases**

If you sign the Multiple Franchise Purchase Addendum to purchase multiple Franchises simultaneously, then we will designate a separate Franchise Territory for each franchise to be developed. We will also designate a schedule of opening deadlines for your franchises (“Development Schedule”). If you do not comply with the Development Schedule, we will have the right to terminate the Multiple Franchise Purchase Addenda and any or all of your Franchise Agreements representing Franchises that have not yet opened for business.

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

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

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

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

### **Minimum Sales Requirements**

You are required to meet the following minimum revenue requirements that are set forth in Attachment 4 of the Franchise Agreement:

<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEARS 3-5</b>	<b>YEARS 6-7</b>	<b>YEARS 8-10 (and renewal term)</b>
\$400,000	\$500,000	\$600,000	\$700,000	\$1,000,000

If you do not meet these minimum requirements, we have the right to reduce the size of your Territory or terminate your Franchise Agreement. There is no other market penetration or other contingency that will affect your right to operate in your Protected Area during the term of your Franchise Agreement, unless you are in default of your obligations to us.

### **Item 13** **Trademarks**

#### **Registrations and/or Applications for Our Marks**

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

Mark	Registration Number	Registration Date	Register
GoMobile Tires (standard characters)	90218702	June 15, 2021	6386967

### Our Common Law Rights to the Marks

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

### Your Use of the Marks

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

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

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

### Modifying the Marks

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

### Agreements Impacting the Marks

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

### Legal Actions Involving the Marks

There are no currently effective material determinations of the USPTO, Trademark Trial and Appeal

Board, the trademark administrator of any state or any court, or any opposition or cancellation proceeding, or any pending litigation involving the Marks.

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

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

#### **Item 14** **Patents, Copyrights, and Proprietary Information**

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

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

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

We may change or discontinue any part of the copyrighted materials at any time at our sole discretion.

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

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

We have no patents material to your franchise.

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

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

#### **Item 15**

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

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

All of your owners must sign the Franchise Agreement directly and sign a Confidentiality and Non-Competition Agreement in the form attached as Attachment 8 of the Franchise Agreement. Your managers and technicians must sign confidentiality and non-competition agreements containing substantially the same protections as provided in relevant clauses in the Franchise Agreement. You are responsible for ensuring the adequacy and enforceability under local law of any sample form we provide in this regard.

If your Franchised Business is owned by an entity, all owners of the entity must personally sign the Franchise Agreement as a Principal. If you are a married individual, your spouse must sign our Personal Guaranty, which is attached to our Franchise Agreement as Attachment 7.

#### **Item 16**

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

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

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

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

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

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

**THE FRANCHISE RELATIONSHIP**

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

<u>Provision</u>	<u>Section in Franchise Agreement (“FA”) or Other Agreement (e.g. Multiple Franchise Purchase Addendum (“MFPA”))</u>	<u>Summary</u>
a. Length of the franchise term	FA Article 4	10 years
b. Renewal or extension of term	FA Section 5.1	If you are in good standing, you may renew for periods of 10 years under the terms of our then-current Franchise Agreement forms that may have materially different terms and conditions than your original contract.
c. Requirements for franchisee to renew or extend	FA Section 5.2 and 5.3	“Renewal” means that you, upon the expiration of the original term of the Franchise Agreement, have the right to enter into a new agreement according to our then-current Franchise Agreement forms that may have materially different terms and conditions than your original contract. You must give notice at least three and not more than six months before expiration of the initial term; faithfully perform under the initial agreement; refurbish, remodel, and replace the Franchise Office (if commercial location), fixtures, equipment, vehicle(s), and signage to conform to the then-current Operations Manual and System standards; sign general release (subject to state law); sign a new agreement that may contain materially different terms and conditions from the original contract; pay a renewal fee; and go through retraining (if we require it).

d. Termination by franchisee	None	You may terminate the Franchise Agreement if permitted by applicable law.
e. Termination by franchisor without cause	FA Section 16.7	The Franchise Agreement will terminate automatically upon your death or permanent disability, and the Franchise must be transferred within 6 months to a replacement franchisee that we approve.
f. Termination by franchisor with cause	FA Section 17.1; MFPA Section 7	We can terminate only if you default. Any material violation or breach of the Franchise Agreement is deemed a material breach of any other franchise or other agreement between you and us. The non-breaching party then will be entitled to enforce the penalties of or to terminate the Franchise Agreement and any relevant addenda and any or all of such other Franchise Agreements.
g. "Cause" defined – curable defaults	FA Section 17.3	You have 30 days to cure any default not listed in Section 17.3.
h. "Cause" defined – non-curable defaults	FA Sections 17.1 and 17.2; MFPA Section 7	Bankruptcy and insolvency, abandonment, repeated default, misrepresentations, levy of execution, criminal conviction, noncompliance with laws, non-payment of fees, repeated under reporting of sales, disclosure of confidential information, violation of non-competition covenants, and other defaults listed in Section 17.2.  Multiple Franchise Purchase Addendum: If you do not comply with the Development Schedule, we will have the right to terminate the MFPA and any or all of your Franchise Agreements representing Franchises that have not yet opened for business. We will not have the right to terminate your Franchise Agreements for Franchises that have already opened for business.  Cross-Default: We will have the right to terminate your other unit Franchise Agreements and Multiple Franchise Purchase Agreements (and therefore, your Development Schedule and development rights) if we have the right to terminate any of your single unit Franchise Agreements.
i. Franchisee's obligations on termination or nonrenewal.	FA Article 18	De-identification, return of manuals, release of phone numbers and listings, de-identification of your franchise equipment and Franchise Office, payment of sums owed, confidentiality, and non-competition.
j. Assignment of contract by franchisor	FA Section 16.1.1	There are no restrictions on our right to transfer.
k. "Transfer" by franchisee – defined	FA Section 16.3	Restrictions apply if you sell, transfer, assign, encumber, give, lease, or sublease (collectively called "transfer") the whole or any part of the Franchise Agreement, substantial assets of the franchise, or ownership or control of you.
l. Franchisor's approval of transfer by franchisee	FA Section 16.3	We have the right to approve all transfers.

m. Conditions for franchisor approval of transfer	FA Section 16.3 and 16.4	The transferee must qualify as a franchisee, assume your obligations, and successfully pay for and complete the mandatory training. You may not be in default, must sign a general release (subject to state law), and you or the transferee must pay the Transfer Fee. You or the transferee must refurbish, remodel, and replace the Franchise Office (if commercial location), fixtures, equipment, vehicle(s), and signage to conform to the then-current Operations Manual and System standards.
n. Franchisor's right of first refusal to acquire franchisee's business	FA Section 16.6	If you receive an offer, we will have the right to purchase on the same terms and conditions as offered to you, 30-day notice and right to decide.
o. Franchisor's option to purchase franchisee's business	FA Section 18.2	<p>You will give us the right of first purchase before soliciting offers from a third party if you choose to sell your franchise business. We will have the right of first purchase to purchase some or all of your franchise business assets upon expiration or termination of the Franchise Agreement.</p> <p>We will have the right of first purchase to purchase your franchise if a suitable transferee purchaser is not found within 180 days from the date of your death, disability or incapacity.</p>
p. Death or Disability of franchisee	FA Sections 16.3, 16.4 and 16.7	The Franchise Agreement will terminate upon your death or permanent disability, and the Franchise must be transferred within 6 months to a replacement franchisee that we approve.
q. Non-Competition Covenants During the Term of the Franchise	FA Section 19.5.1	Subject to state law, you shall not disclose confidential information, divert business or customers, or compete. The in-term non-competition covenant applies to any vehicle tire business (mobile or non-mobile) that replaces customers' tires and/or wheels, or any business that offers products or services that are essentially the same as, or substantially similar to, the products and services that are part of the System (defined broadly in this instance to include the Systems for GoMobile Tires).
r. Non-Competition Covenants After the Franchise is Terminated or Expires	FA Section 19.5.2	<p>Subject to state law, you will not divert business or customers for a period of two years after expiration or termination of the Franchise Agreement.</p> <p>Subject to state law, no competition is allowed for two years within the Territory, within a 50-mile radius of the Territory, and within a 50-mile radius of any location or territory where we operate or have granted the franchise to operate a GoMobile Tires business.</p> <p>The post-term non-competition covenant applies to any vehicle tire business (mobile or non-mobile) that replaces customers' tires and/or wheels, or any business that offers products or services that are essentially the same as, or substantially similar to, the products and services that are part of the System.</p>

s. Modification of the Agreement	FA Sections 9.4, 14.6 and 19.1.4	We may modify the Operations Manual. Modifications to the language of the Franchise Agreement require the signed written agreement of the parties.
t. Integration/Merger Clause	FA Section 21.4	Only the terms of the Franchise Agreement and Operations Manual are binding subject to state law. Any representations or promises outside of the Franchise Disclosure Document and other agreements may not be enforceable. Nothing in the Franchise Agreement is intended to disclaim the representations we made in the franchise disclosure document that we delivered to you
u. Dispute Resolution by Arbitration or Mediation	FA Section 20.2 and 20.3	Subject to state law, before taking any other legal action, the parties agree to mediate disputes in Washington County, Oregon. The mediation clause does not apply to disputes based on your (1) improper use of the Marks or other intellectual property; (2) violation of restrictive covenants in the Franchise Agreement (e.g. confidentiality, non-disclosure, and non-competition); or (3) monetary and payment obligations.
v. Choice of Forum	FA Section 20.3.2	Subject to state law, mediation and litigation must be in Washington County, Oregon. Some states do not allow franchisees to give up their right to bring or defend lawsuits in the courts of their state. See the State Law Addendum to the Franchise Agreement and this disclosure document for state-specific addenda to this Item.
w. Choice of Law	FA Section 20.5	Oregon law applies except as otherwise provided in the Franchise Agreement and subject to state law. See the State Law Addendum to the Franchise Agreement and this disclosure document for state-specific addenda to this Item.

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

No public figure is involved in our franchise program.

**Item 19**  
**Financial Performance Representations**

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Derek Naidoo, Managing Member,

GoMo Tires LLC, 163 SW Freeman Avenue, Ste D, Hillsboro, Oregon 97123, (503) 501-9106, the Federal Trade Commission, and the appropriate state regulatory agencies.

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

Table No. 1  
System-wide Outlet Summary  
For Years 2021 to 2023

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2021	10	12	+2
	2022	12	14	+2
	2023	14	26	+12
Company – Owned*	2021	3	3	0
	2022	3	3	0
	2023	3	2	-1
<b>Total Outlets</b>	<b>2021</b>	<b>13</b>	<b>15</b>	<b>+2</b>
	<b>2022</b>	<b>15</b>	<b>17</b>	<b>+2</b>
	<b>2023</b>	<b>17</b>	<b>18</b>	<b>+11</b>

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

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

Table No. 2  
Transfers of Outlets From Franchisees to New Owners (Other than the Franchisor)  
For Years 2021 to 2023

Column 1 State	Column 2 Year	Column 3 Number of Transfers
None	2021	0
	2022	0
	2023	0
<b>Total</b>	<b>2021</b>	<b>0</b>
	<b>2022</b>	<b>0</b>
	<b>2023</b>	<b>0</b>

Table No. 3  
Status of Franchised Outlets  
For Years 2021 to 2023

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opene d	Column 5 Terminat ions	Column 6 Non- renewal s	Column 7 Reacquire d by Franchisor	Column 8 Ceased Operatio ns - Other Reasons	Column 9 Outlets at End of the Year
Alabama	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Arizona	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
California	2021	1	0	0	0	0	1	0
	2022	0	0	0	0	0	0	0
	2023	0	3	0	0	0	1	2
Florida	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	2	0	0	0	0	3
Indiana	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Missouri	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Nevada	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
New Jersey	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Ohio	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Oregon	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Pennsylvania	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
South Carolina	2021	1	0	0	0	0	1	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Tennessee	2021	1	0	0	0	0	0	1

	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2021	2	0	0	0	0	0	2
Texas	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2021	0	0	0	0	0	0	0
Utah	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2021	0	1	0	0	0	0	1
Virginia	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2021	0	0	0	0	0	0	0
Wisconsin	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
	2021	0	0	0	0	0	0	0
Wyoming	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2021	11	4	0	0	0	2	13
Total	2022	13	4	0	0	0	0	17
	2023	15	5	0	0	0	0	20

Table No. 4  
Status of Company Owned Outlets  
For Years 2021 to 2023

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired from Franchisees	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisees	Col. 8 Outlets at End of the Year
California	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Oregon	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Washington	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	1	0	0
Total	2021	3	0	0	0	0	3
	2022	3	0	0	0	0	3
	2023	3	0	0	0	0	2

Table No. 5  
Projected Openings as of August 31, 2023

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company Owned Outlets in the Next Fiscal Year
California	0	2	0
Colorado	0	1	0
Illinois	1	1	0
Indiana	0	0	1
Iowa	0	1	0
Minnesota	1	1	0
North Carolina	0	1	0
Nevada	0	1	0
New York	0	1	0
Oregon	0	1	0
Pennsylvania	0	1	0
Texas	0	1	0
Utah	0	1	0
Washington	0	0	1
<b>Total</b>	<b>2</b>	<b>13</b>	<b>2</b>

Exhibit G lists the locations of each GoMobile Tire franchise in our System.

During our last fiscal year, no franchisee has had an outlet terminated, canceled, not renewed, or has otherwise voluntarily or involuntarily ceased to do business under the franchise agreement or has not communicated with us within 10 weeks of the date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

No franchisee has signed confidentiality clauses during the last three years.

There are no trademark-specific franchisee organizations associated with the franchise system being offered in this Franchise Disclosure Document.

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

The franchisor's audited financial statement as of August 31, 2023, 2022 and 2021, are attached as Exhibit A

**Item 22**  
**Contracts**

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

Agreement Name	Exhibit
Standard Franchise Agreement and Attachments	B

List of State Franchise Administrators and Agents for Service of Process	C
Form of General Release	D
SBA Franchise Agreement Addendum	E
Operations Manual Table of Contents	F
List of Current and Former Franchisees as of August 31, 2023	G
State Addenda	H
GoMobile Tires Acknowledgment Statement	I
State Effective Dates	J
Receipts	K

**Item 23**  
**Receipts**

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

**EXHIBIT A**  
**FINANCIAL STATEMENTS**



# **GOMO TIRES LLC**

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

AS OF AUGUST 31, 2023, 2022 AND 2021



# GOMO TIRES LLC

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

To the Member  
GoMo Tires LLC  
163 SW Freeman Ave. Ste D  
Hillsboro, Oregon 97123

#### ***Opinion***

We have audited the accompanying financial statements of GoMo Tires LLC, which comprise the balance sheets as of August 31, 2023, 2022 and 2021 and the related statements of operations, member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GoMo Tires LLC as of August 31, 2023, 2022, and 2021 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Kezas  $\frac{1}{3}$  Dunlavy

St. George, Utah  
December 14, 2023

**GOMO TIRES LLC**  
**BALANCE SHEETS**  
As of August 31, 2023, 2022 and 2021

	2023	2022	2021
Assets			
Current assets			
Cash	\$ 119,085	\$ 9,943	\$ 3,556
Accounts receivable	421,112	282,846	149,500
Deferred contract costs	792,012	35,445	-
Total current assets	1,332,209	328,234	153,056
Total assets	\$ 1,332,209	\$ 328,234	\$ 153,056
Liabilities and Member's Equity			
Current liabilities			
Accounts payable	\$ 4,710	\$ -	\$ -
Deferred revenue	1,098,633	284,646	149,500
Total current liabilities	1,103,343	284,646	149,500
Total liabilities	1,103,343	284,646	149,500
Member's equity	228,866	43,588	3,556
Total liabilities and member's equity	\$ 1,332,209	\$ 328,234	\$ 153,056

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

**GOMO TIRES LLC**  
**STATEMENTS OF OPERATIONS AND MEMBER'S EQUITY**  
For the years ended August 31, 2023, 2022 and 2021

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Operating revenue			
Initial franchise fee	\$ 222,123	\$ 100,000	\$ 50,000
Equipment sales	726,496	217,700	120,000
Other revenue	<u>3,853</u>	<u>-</u>	<u>-</u>
Total operating revenue	952,472	317,700	170,000
Cost of goods sold	<u>(726,496)</u>	<u>(245,497)</u>	<u>(162,959)</u>
Gross profit	225,976	72,203	7,041
Operating expenses			
General and administrative	698	8,271	135
Professional fees	-	1,400	-
Advertising and marketing	<u>40,000</u>	<u>22,500</u>	<u>13,350</u>
Total operating expenses	<u>40,698</u>	<u>32,171</u>	<u>13,485</u>
Net income (loss)	<u>\$ 185,278</u>	<u>\$ 40,032</u>	<u>\$ (6,444)</u>
Beginning member's equity	\$ 43,588	\$ 3,556	\$ -
Member contributions	-	-	10,000
Net income (loss)	<u>185,278</u>	<u>40,032</u>	<u>(6,444)</u>
Ending member's equity	<u>\$ 228,866</u>	<u>\$ 43,588</u>	<u>\$ 3,556</u>

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

**GOMO TIRES LLC**  
**STATEMENTS OF CASH FLOWS**  
For the years ended August 31, 2023, 2022 and 2021

	2023	2022	2021
Cash flows from operating activities			
Net income (loss)	\$ 185,278	\$ 40,032	\$ (6,444)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:			
Change in operating assets and liabilities:			
Accounts receivable	(138,266)	(133,346)	(149,500)
Accounts payable	4,710		
Deferred contract costs	(756,567)	(35,445)	-
Deferred revenue	813,987	135,146	149,500
Cash flows provided (used) by operating activities	109,142	6,387	(6,444)
Cash flows from investing activities	-	-	-
Cash flows from financing activities			
Member contributions	-	-	10,000
Cash flows provided by financing activities	-	-	10,000
Net change in cash and cash equivalents	109,142	6,387	3,556
Cash and cash equivalents at beginning of period	9,943	3,556	-
Cash and cash equivalents at end of period	\$ 119,085	\$ 9,943	\$ 3,556
Supplemental disclosures of cash flow:			
Cash paid for interest and taxes	\$ -	\$ -	\$ -

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

GOMO TIRES LLC  
NOTES TO THE FINANCIAL STATEMENTS  
AUGUST 31, 2023, 2022 AND 2021

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

*(a) Nature of Business*

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

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

*(b) Accounting Standards Codification*

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

*(c) Use of Estimates*

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

*(d) Reclassifications*

Certain amounts in the prior period financial statements have been reclassified for comparative purposes to conform to the presentation in the current period financial statements.

*(e) Cash and Cash Equivalents*

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. As of August 31, 2023, 2022 and 2021, the Company had cash and cash equivalents of \$119,085, \$9,943, and \$3,556, respectively.

*(f) Accounts Receivable*

Accounts receivable are recorded for amounts due based on the terms of executed franchise agreements for franchise sales, royalty fees, and construction revenues. Accounts receivable are recorded at the invoiced amount and do not bear interest although a finance charge may be applied to such receivables that are past the due date. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable. The Company determines the allowance based on historical collections, customers' current creditworthiness, age of the receivable balance both individually and in the aggregate, and general economic conditions that may affect the customer's ability to pay. All account balances are reviewed on an individual basis. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. When recoveries of receivables previously charged off are made, they are recognized as income when payment is received. As of August 31, 2023, 2022 and 2021, the Company had net receivables of \$421,112, \$282,846, and \$149,500, respectively. As of August 31, 2023, 2022 and 2021, the Company had no allowance for doubtful accounts.

GOMO TIRES LLC  
NOTES TO THE FINANCIAL STATEMENTS  
AUGUST 31, 2023, 2022 AND 2021

*(g) Revenue Recognition*

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

ASC 606 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the considerations expected to be received for those goods or services. In implementing ASC 606, the Company evaluated all revenue sources using the five-step approach: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price, and recognize revenue.

For each franchised location, the Company enters into a formal franchise agreement that clearly outlines the transaction price, which includes an initial franchise fee, ongoing royalties, marketing fees, equipment package fees, and the Company's performance obligations.

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

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

Assistance in the selection of a site

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

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

GOMO TIRES LLC  
NOTES TO THE FINANCIAL STATEMENTS  
AUGUST 31, 2023, 2022 AND 2021

*(h) Financial Instruments*

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

*(i) Advertising and Marketing Costs*

The Company expenses advertising and marketing costs as incurred. Advertising and marketing expenses for the years ended September 30, 2023, 2022 and 2021 were \$40,000, \$22,500, and \$13,350, respectively.

*(j) Income Taxes*

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

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

The Company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of August 31, 2023, 2022 and 2021, no tax years were subject to examination.

*(k) Concentration of Risk*

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

(2) Franchise Agreements

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

As of August 31, 2023, 2022 and 2021, the Company has estimated the current portion of deferred contract costs to be \$792,012, \$35,445, and \$0, respectively. As of August 31, 2023, 2022 and 2021, the Company has estimated the current portion of deferred revenue to be \$1,098,633, \$284,646, and \$149,500, respectively.

(3) Related Party Transactions

The Company utilizes affiliates through common ownership to purchase and customize vehicles for sale to franchisees as part of the initial equipment package. During the years ended August 31, 2023, 2022 and 2021, the total amount paid to these affiliates was \$1,169,810, \$303,442, and \$162,959, respectively.

GOMO TIRES LLC  
NOTES TO THE FINANCIAL STATEMENTS  
AUGUST 31, 2023, 2022 AND 2021

(4) Commitments and Contingencies

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

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

(5) Subsequent Events

Management has reviewed and evaluated subsequent events through December 14, 2023, the date on which the financial statements were issued.

**EXHIBIT B**  
**GOMOBILE TIRES**  
**FRANCHISE AGREEMENT**

**GoMo Tires, LLC**

**DATA SHEET**

Franchisee: \_\_\_\_\_  
(Individual(s) and \_\_\_\_\_  
Entity, if applicable) \_\_\_\_\_  
\_\_\_\_\_

Spouse Guarantor(s): \_\_\_\_\_  
\_\_\_\_\_

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

Territory Count: \_\_\_\_\_

Territory/Territories Description: See attached Map and/or List of Zip Codes \_\_\_\_\_

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

**The terms of this Data Sheet are incorporated into the attached Franchise Agreement.**

**GOMO TIRES, LLC  
FRANCHISE AGREEMENT  
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**ATTACHMENTS**

1	Trademarks
2	Territory Description and Franchised Business Address
3	ACH Authorization
4	Minimum Performance Standards
5	Statement of Ownership Interests in Franchisee
6	Internet Advertising, Social Media, Software, and Telephone Listing Agreement
7	Spouse Guaranty
8	Confidentiality and Non-Compete Agreement

THIS FRANCHISE AGREEMENT (this "Agreement") is being entered into this day of \_\_\_\_\_ (the "Effective Date"), by and between GoMo Tires, LLC, a Florida limited liability company, with its principal place of business at 163 SW Freeman Avenue, Ste D Hillsboro, Oregon 97123 (herein "Franchisor), and \_\_\_\_\_, a(n) \_\_\_\_\_, with its principal place of business located at \_\_\_\_\_, and \_\_\_\_\_'s principals, \_\_\_\_\_, an individual, residing at \_\_\_\_\_, and \_\_\_\_\_, an individual, residing at \_\_\_\_\_ ("Principal(s)"). \_\_\_\_\_ and Principal(s) shall be collectively referred to in this Agreement as the "Franchisee".

## RECITATIONS

Through the expenditure of considerable time, effort and money, Franchisor has developed and established a distinctive business which offers a branded mobile vehicle tire and oil change business that replaces customers' tires, wheels and oil using Franchisor's confidential operations manual ("Manual") of business practices and policies, and Franchisor's operations methods, sales techniques, inventory, procedures for management control and training, assistance, advertising, and promotional programs, all of which may be changed, improved or further developed by Franchisor at any time (taken together herein the "System").

The System is identified by certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including but not limited to GoMo Tires service mark, as set forth in Attachment 2, and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated or substituted by Franchisor for use in connection with the System (the "Marks").

Franchisor continues to develop, use, and control the use of such Marks in order to identify for the public the source of services and products marketed under the Marks and the System and to represent the System's high standards of quality, appearance, and service.

Franchisee understands and acknowledges the importance of Franchisor's high and uniform standards of quality, service, and appearance, and the necessity of operating the business franchised hereunder in conformity with Franchisor's standards and specifications.

NOW, THEREFORE, the parties, in consideration of the promises, undertakings and commitments of each party to the other set forth herein, and intending to be legally bound hereby, mutually agree as follows:

### **1. RECITATIONS.**

The Recitations set out above form part of this Agreement.

### **2. GRANT OF FRANCHISE.**

Franchisor hereby grants to Franchisee and Franchisee accepts, upon the terms and conditions contained in this Agreement, the license to operate a GoMo Tires franchise (the "Franchise" or "Franchised Business"), using only the Marks licensed hereunder, in strict conformity with the System, which may be changed, improved, and further developed by Franchisor from time to time. This grant applies only within a territory that is designated in Attachment 3 attached hereto and incorporated herein (the "Territory").

### 3. TERRITORY.

3.1. Territory. This Agreement grants Franchisee the right to operate the Franchised Business within the Territory only. Subject to Sections 3.2, 3.3, and 3.4 below, Franchisor agrees that during the Term of this Agreement, Franchisor will not permit any other franchisees in the System, to operate a GoMo Tires outlet in the Territory using the same Marks as licensed to Franchisee in this Agreement so long as Franchisee (i) meets the minimum performance standards (“Minimum Performance Standards”) set forth in Attachment 5 and (ii) is not in default under this Agreement or this Agreement has not been terminated. Except as otherwise specified in this Agreement, Franchisor reserves the right to open, operate or franchise GoMo Tires franchises around, bordering, and adjacent to the Territory. Franchisee will be selling its products and services from a specific location, location(s), or the Franchisor created website that will be determined by Franchisee with Franchisor’s prior written approval, which may be withheld or denied in Franchisor’s sole discretion. Franchisee is prohibited from selling and soliciting customers through alternative distribution channels as more fully specified herein.

3.2 Minimum Performance Standards. Franchisee acknowledges the importance of actively developing the Territory to achieve maximum revenues, and, to that end, Franchisee agrees to use best efforts to market Franchisee’s Franchised Business to meet the Minimum Performance Standards. Franchisee’s failure to meet the Minimum Performance Standards is a material default of this Agreement, and upon such default, Franchisor is entitled to either (i) revoke Franchisee’s limited protected rights in the Territory and permit others to provide System services and goods in the Territory or (ii) terminate this Agreement.

3.3 Reservation of Rights. Franchisee understands and agrees that all rights to any businesses, other than as specified in this Agreement, are fully reserved to Franchisor within or outside of the Territory. By way of example only, Franchisor reserves the rights to offer (i) other services and products not offered under the Marks, (ii) other tire or automotive services concepts under the Marks or other trademarks, and (iii) products or services through other channels of distribution in the Territory including, but not limited to, products or services offered through retail stores, the internet or direct marketing (“Alternate Channels of Distribution”). Franchisor further specifically reserves the right to solicit, sell to, negotiate rates with, and service with companies that conduct business across multiple areas or have multiple facilities either regionally or nationally (“Commercial Accounts”). Franchisor may offer Franchisee the right to service Commercial Accounts in the Territory, provided that Franchisee accepts negotiated terms; otherwise, Franchisor may service the Commercial Accounts either directly or permit another franchisee to provide such service. Franchisee will receive no compensation for Franchisor’s sales through Alternate Channels of Distribution or declined Commercial Accounts made within the Territory. Franchisee agrees that such implementation of Franchisor’s rights pursuant to this Section 3.3 is deemed not to impair or injure Franchisee’s rights pursuant to Section 2 hereof.

3.4 Outside Area Sales. Franchisee must target Franchisee’s advertising within the Territory and may only solicit sales from customers located within the Territory. Notwithstanding, Franchisee may solicit and/or service a customer located outside of the Territory, provided that (i) the customer is not located in an area serviced by Franchisor or another GoMo Tires franchisee, (ii) Franchisee did not solicit the customer in violation of this Agreement or the Manual, and (iii) sales to customers outside of the Territory are no more than twenty percent (20%) of Franchisee’s total sales. Notwithstanding the foregoing, in the event Franchisee provides System services to a customer outside of the Territory in an area that is subsequently designated as part of the territory of another GoMo Tires franchisee, Franchisee shall assign such customer to such other franchisee, and Franchisee shall have no further right to service such customer. If a sale is made through the Franchisor established website (the “Website”) in the Territory of another franchisee, the other franchisee, shall have the right to perform the installation service for the customer. We reserve the right to modify our standards and specifications, and your rights, with respect to Website.

#### 4. TERM.

Unless terminated earlier in accordance with the terms set forth in this Agreement, this Agreement and the Franchise granted hereunder shall commence upon the Effective Date set forth above, and terminate on the date that is ten (10) years following the Opening Date, as defined in Section 8 hereof (the “Term”).

#### 5. SUCCESSOR OPTIONS.

Subject to the terms and conditions of this Agreement, Franchisee shall have the right, following the expiration of the Term hereof, to enter into a new franchise agreement and other agreements then customarily employed by Franchisor and in the form then generally being offered to prospective franchisees in the state in which the Territory is located (the “Successor Franchise Agreement”) for a term equal to one (1) ten (10) year term. The term of the Successor Franchise Agreement shall commence upon the date of expiration of the immediately preceding term. Franchisee shall be charged a successor agreement fee equal to fifty percent (50%) of the then-current Initial Franchise Fee (“Successor Agreement Fee”).

5.1 Form and Manner of Successor Agreement. If Franchisee desires to exercise Franchisee’s option to enter into a Successor Franchise Agreement, it shall be done in the following manner:

5.1.1 Not less than one hundred and eighty (180) days prior to the expiration of the Term of this Agreement, Franchisee shall request from Franchisor in writing, a copy of Franchisor’s then-current Disclosure Document (including Franchisor’s then-current franchise agreement).

5.1.2 Franchisee must execute and return to Franchisor all required documents, including any and all ancillary documents, within thirty (30) days after receipt by Franchisee of a copy of Franchisor’s then-current Disclosure Document.

5.1.3 The Successor Franchise Agreement shall supersede this Agreement in all respects, and Franchisee understands and acknowledges that the terms of such new agreement may differ from the terms of this Agreement, including, without limitation, higher or lower royalty and other fees.

5.1.4 If Franchisee fails to perform any of the acts, or deliver any of the notices required pursuant to this Article 5 in a timely fashion, such failure shall be deemed an election by Franchisee not to exercise Franchisee’s option to enter into the Successor Franchise Agreement, and such failure shall cause Franchisee’s right and option to automatically lapse and expire, without further notice by Franchisor.

5.1.5 Franchisee acknowledges that the initial Term of this Agreement provides Franchisee more than a sufficient opportunity to recoup Franchisee’s investment in the Franchise, as well as a reasonable return on such investment.

5.2 Conditions of Successor Agreement. Franchisee’s right to enter into a Successor Franchise Agreement is conditioned upon the following:

5.2.1 Franchisee shall be in full compliance with this Agreement and shall have materially performed Franchisee’s obligations under this Agreement, the Manual and under all other agreements that may be in effect between Franchisee and Franchisor, including but not limited to all monetary obligations.

5.2.2 Franchisee shall not have committed three (3) or more events constituting default during the Term of this Agreement, whether or not such defaults were cured.

5.2.3 Franchisee will have completed any required additional training to Franchisor's reasonable satisfaction.

5.2.4 Franchisee performs such repairs, upgrades and replacements as Franchisor may require to cause the Franchised Business office premises, equipment, computer systems and other assets to conform to the then-current specifications for franchised businesses on the Successor Agreement date.

5.2.5 Franchisee shall execute a general release of all claims Franchisee may have against GoMo Tires, LLC, its parent, subsidiaries and affiliates, its officers, directors, shareholders, agents, and employees, whether in their corporate and/or individual capacities, in the form attached hereto as Attachment 4. This release will include all claims arising under any federal, state, or local law, rule, or ordinance.

5.2.6 Franchisee shall pay the required Successor Agreement Fee and sign the Successor Franchise Agreement.

5.3 Notice Required by Law. If applicable law requires Franchisor to give notice to Franchisee prior to the expiration of the Term, this Agreement shall remain in effect on a month-to-month basis until Franchisor has given the notice required by such applicable law. If Franchisor is not offering new GoMo Tires franchises, is in the process of revising, amending or renewing Franchisor's form of franchise agreement or disclosure document, or Franchisor is not lawfully able to offer Franchisee the then-current form of Successor Franchise Agreement at the time Franchisee advises Franchisor pursuant to Section 5.1 hereof that Franchisee desires to enter into a new agreement, Franchisor may, in Franchisor's sole discretion, (i) offer to renew this Agreement upon the same terms set forth herein for the appropriate successor term, or (ii) offer to extend the Term hereof on a month-to-month basis following the expiration of the Term for as long as Franchisor deems necessary or appropriate so that Franchisor may lawfully offer the then-current form of Successor Franchise Agreement. Any timeframes specified in this Section 5.3 shall be inclusive of any state mandated notice periods.

5.4 Additional Reservation of Rights. Notwithstanding anything herein to the contrary, Franchisor reserves the right not to enter into a Successor Franchise Agreement for this Franchise as a result of a decision to withdraw from the Territory in which Franchisee's Franchised Business is located.

## 6. FEES.

6.1 Initial Franchise and Royalty Fee. As part of the consideration for the right to operate the Franchise granted herein, Franchisee shall pay to Franchisor the following fees:

6.1.1 Initial Franchise Fee. Franchisee acknowledges and agrees that the grant of this Franchise and the rights and obligations of the parties under this Agreement constitute the sole and only consideration for the initial franchise fee set forth on the Data Sheet of this Agreement (the "Initial Fee"). **The Initial Fee is fully earned at the time this Franchise Agreement is signed and is not refundable under any circumstances.** Franchisee shall pay the full amount of the Initial Fee to Franchisor upon Franchisee's execution of this Agreement.

6.1.2 Royalty Fee. Franchisee agrees to pay Franchisor, on the 5<sup>th</sup> day of the month for the month prior, throughout the Term, a royalty fee equal to seven and a half percent (7.5%) of the Gross Revenue, as hereinafter defined, realized from the Franchised Business and from any other revenues received using Franchisor's methods, operations and/or trade secrets (the "Royalty Fee"). The term "Gross Revenue" includes all revenues and income from any source derived or received by Franchisee from, through, by or on account of the operation of the Franchised Business or made pursuant to the rights granted hereunder, including but not limited, any and all other revenues received using Franchisor's methods, operations and/or

trade secrets whether received in cash, in services, in kind, from barter and/or exchange, on credit (whether or not payment is actually received) or otherwise. Gross Revenue shall not include (i) any sales tax or similar taxes collected from customers and turned over to the governmental authority imposing the tax, (ii) properly documented refunds to customers, or (iii) properly documented promotional discounts (i.e. coupons). Royalty Fees are subject to a monthly minimum as set forth in Attachment 5.

6.1.3 Gross Revenue Reports. Franchisee shall, on the first Wednesday of each month, furnish Franchisor with a report showing Franchisee's Gross Revenue at or from the Franchised Business and/or made pursuant to the rights granted hereunder during the immediately prior calendar month (the "Gross Revenue Report"). The Gross Revenue Report shall be in such form and shall contain such information as Franchisor may from time to time prescribe. At Franchisor's discretion, (i) Franchisee shall submit, or (ii) Franchisor may remotely access, the Gross Revenue Report by an electronic transfer of data via the computer information systems ("Computer System") that Franchisor may require Franchisee use in the operation of the Franchised Business.

6.1.4 Method of Payment. Franchisee shall, together with the submission of the Gross Revenue Report, pay Franchisor the Royalty Fee and the Brand Fund Contribution, as defined and more particularly described in Article 13, then due. At Franchisor's request, Franchisee must execute documents, including but not limited to, the Authorization set forth in Attachment 4, that allow Franchisor to automatically take the Royalty Fee and Brand Development Fund Contribution due as well as other sums due Franchisor, from business bank accounts via electronic funds transfers or Automated Clearing House ("ACH") payments. Franchisee's failure to allow electronic funds transfers or ACH payments on an ongoing basis is a material breach of this Agreement. If Franchisee fails to timely report Gross Revenue, then, in addition to a late fee and interest pursuant to Sections 6.2 and 6.3 hereof, Franchisor shall collect one hundred percent (100%) of the last Royalty Fee payable. Franchisor shall reconcile amounts when Gross Revenues are reported.

6.2 Late Payment Penalty. If any fee, including but not limited to, the Royalty Fee and Brand Fund Contribution, or any report, including but not limited to, the Gross Revenue Report or other financial report, is not received by Franchisor as required by this Agreement, Franchisee shall pay to Franchisor, in addition to any overdue amount, a late fee of five percent (5%) of the owed amount for each month or fraction thereof that payment or report is not received. This late fee is reasonably related to Franchisor's costs resulting from the delay in payment and/or receipt of any report, is not a penalty, and is in addition to any other remedy available to Franchisor under this Agreement for Franchisee's failure to pay fees or submit reports in accordance with the terms of this Agreement.

6.3 Interest. Any and all amounts that shall become due and owing from Franchisee to Franchisor under the terms hereof shall bear interest from the date due until paid at the rate of eighteen percent (18%) per annum or at the highest rate permitted by law, whichever is lower.

6.5 Taxes. If any sales, excise, use, or privilege tax is imposed or levied by any government or governmental agency on Franchisor for any Royalty Fee, Brand Fund Contribution, or other fees due and payable to Franchisor under this Agreement, Franchisee shall pay Franchisor a sum equal to the amount of such tax.

6.6 Monthly Software Fee. Franchisor reserves the right to impose a monthly software fee upon Franchisee, in an amount that Franchisor reasonably determines, for the development, adoption and/or use of new or improved internal systems technology for the benefit of the System and Franchised Business, including but not limited to, assigned phone numbers and email addresses required for use in the Franchised Business, a franchise portal, benchmarking platform or other operations or communications systems ("Monthly Software Fee"). In Franchisor's sole discretion, Franchisor may (i) increase the amount of the internal systems fees or (ii) replace the technology with different technology, developed by Franchisor or a third-party, and

Franchisee shall pay the then-current fees for the replacement technology and for continuous access thereto. Franchisee shall pay the Monthly Software Fee in the manner and frequency as reasonably determined by Franchisor.

## 7. TRAINING.

7.1 Initial Training Program. Franchisee (specifically including all Franchisee's principals) shall attend and complete to Franchisor's sole and absolute satisfaction, Franchisor's initial training program ("Initial Training Program") prior to the opening of the Franchised Business. The Initial Training Program is conducted at Franchisor's headquarters and/or affiliated owned or franchised outlet or virtually. Franchisor reserves the right to designate an alternate location for any component of the Initial Training Program. Franchisee must at all times during the term of this Agreement have principals who have successfully completed the Initial Training Program to Franchisor's sole and complete satisfaction. No charge shall be made for up to three (3) individuals to take the Initial Training Program prior to opening the Franchised Business ("Initial Trainees"). Notwithstanding the foregoing, Franchisee shall be required to pay all of the expenses of the Initial Trainees, including, without limitation, costs of travel, lodging, meals and wages.

7.2 Satisfactory Completion. Franchisor shall determine, in Franchisor's sole discretion, whether the Initial Trainees have satisfactorily completed the Initial Training Program, which shall include mastery of post-course applications. If the Initial Training Program is not satisfactorily completed by the Initial Trainees, or if Franchisor, in Franchisor's reasonable business judgment based upon the performance of the Initial Trainees, determines that the Initial Training Program cannot be satisfactorily completed by Franchisee and Franchisee's Principal(s), Franchisor may terminate this Agreement.

7.3 Additional Training. Franchisor may offer mandatory and/or optional additional training programs from time to time. If required by Franchisor, Franchisee, or Franchisee's principals shall participate in the following additional training:

(i) on-going training for up to three (3) days per year, at a location designated by Franchisor.

(ii) a national business meeting, annual convention, or conference for up to three (3) days per year, at a location designated by Franchisor.

Franchisee further acknowledges that Franchisee shall be required to attend additional training program(s) prior to performing any commercial work.

Franchisor reserves the right to impose a reasonable fee for all additional training programs. Franchisee shall be responsible for any and all incidental expenses incurred by Franchisee or Franchisee's personnel in connection with additional training or attendance at Franchisor's national business meeting or annual convention, including, without limitation, costs of travel, lodging, meals and wages. Franchisee's failure to attend and/or complete mandatory additional training or failure to attend Franchisor's national business meeting or annual convention is a default of this Agreement. Franchisee or Franchisee's principal(s) shall be required to obtain any missed mandatory additional training at a location Franchisor designates. Franchisee shall pay all costs and expenses for such additional training, including but not limited to, tuition at the then-current rate and any and all transportation, meals and lodging of Franchisee, Franchisee's principal and Franchisor's training personnel. Franchisee shall pay to Franchisor any incurred expenses by Franchisor's training personnel within ten (10) days of Franchisor's billing thereof to Franchisee.

7.4 In-Territory Remedial Training. Upon Franchisee's reasonable request or as Franchisor shall deem appropriate, Franchisor shall, during the term hereof, subject to the availability of personnel, provide

Franchisee with additional trained representatives who shall provide in-Territory remedial training and assistance to Franchisee or Franchisee's personnel. For any additional on-site training and assistance, Franchisee shall pay the per diem fee then being charged to franchisees under the System for the services of such trained representatives, plus their costs of travel, lodging, and meals.

7.5 Counseling and Assistance. In addition to visits by Franchisor's field representatives, as Franchisor deems appropriate, Franchisor shall, within reasonable limits and subject to the availability of Franchisor's personnel, upon Franchisee's request and at no charge, unless such assistance is provided at the Franchised Business pursuant to Section 7.4, furnish consultation and assistance to Franchisee, either in person or by telephone, video conference, electronic mail or postal service, as determined by Franchisor, in Franchisor's sole discretion, with respect to the operation of the Franchised Business, including consultation and advice regarding marketing, operational issues, bookkeeping and System improvements.

## **8. FRANCHISED BUSINESS SITE REQUIREMENTS.**

### **8.1 Site Requirements.**

8.1.1 Franchisee must operate from commercial office premises in the Territory. Before signing a lease or other binding commitment for commercial premises, Franchisee shall submit to Franchisor, in writing, a description of the proposed office location, together with such other information and materials as Franchisor may reasonably require. Franchisor shall have ten (10) business days after receipt of this information and materials to consent, in its sole and absolute discretion, to the proposed site. Franchisee shall be responsible for equipping and outfitting the Franchised Business office as outlined in the Operations Manual.

8.1.2 Franchisee shall notify Franchisor in writing prior to relocation of the office for the Franchised Business, which relocation shall be at Franchisee's sole expense and in accordance with Section 8.1.2 above. Upon relocation, Franchisee shall remove any signs or other property from the original Franchised Business office which identified the original Franchise Business office as part of the System.

8.1.3 Franchisee shall locate a site to store Franchisee's vehicle and equipment used in the Franchised Business (the "Storage Site"). Franchisee assumes all cost, liability, expense and responsibility for obtaining and maintaining the Storage Site and the vehicle, equipment, and other property stored thereon. Franchisee shall indemnify, defend and hold harmless Franchisor, in accordance with Article 15 hereof, for any incidents, accidents, code violations or any other matter whatsoever related to the Storage Site.

8.1.3.1 With our prior written consent, you may establish additional site and purchase additional branded vehicles for operation within your Territory.

8.2 Time to Open. Franchisee acknowledges that time is of the essence in this Agreement. Upon Franchisee's compliance with the conditions stated below, Franchisee shall open the Franchised Business, which shall be defined herein as the "Opening Date". Prior to the Opening Date, Franchisee shall (i) satisfactorily complete Franchisor's Initial Training Program, as further set forth in Article 7, (ii) outfit a warehouse, and commercial office, (iii) hire and train staff, (iv) obtain all required licenses to operate the Franchised Business, (v) obtain all equipment and vehicles Franchisor requires, including but not limited to, computer systems, software, and applications, vehicle, and (vi) provide Franchisor with documentation for bank account(s) for use in the Franchised Business. If Franchisee fails to comply with any of such obligations, Franchisor shall have the right to prohibit Franchisee from opening for business. Franchisee's failure to open the Franchised Business and commence business (i) in accordance with the foregoing and (ii) within thirty

(30) days following the date of this Agreement, unless otherwise extended by Franchisor, shall be deemed a material event of default under this Agreement.

## **9. MAINTENANCE AND IMPROVEMENT OF THE FRANCHISED BUSINESS AND SYSTEM.**

9.1 Maintenance of Franchised Business Location and Equipment. Franchisee shall equip and maintain the Franchised Business office location and Storage Site, vehicle(s), equipment, and tools, and all required computer hardware, software and related accessories to the standards of quality, repair and condition required by Franchisor, which standards are specified in the Manual and other written directives, standards and specifications. Franchisee, at Franchisee's expense, shall make such alterations, repairs, refurbishing and replacements as may be required to comply with Franchisor's standards, including, without limitation, periodic repairs or replacement of worn or impaired equipment and tools and computer hardware, software and accessories, as Franchisor may direct.

9.2 Industry Standards. Franchisee shall operate and maintain all equipment and tools in conformance with industry standards, including best practices for cleaning and maintenance and proper storage of vehicles, equipment and other supplies. Franchisee shall submit to Franchisor a copy of any government inspection reports or citations. It shall be a default of this Agreement if Franchisee fails to operate in accordance with the general standards of quality, maintenance, repairs, storage, and waste disposal required by the System, and Franchisor may, at its option, terminate this Agreement.

9.3 Equipment and Technology Updates. Franchisee shall make any and all upgrades to equipment, including but not limited to, payment processing systems, and computer hardware and software, and any technology used in conjunction therewith, as Franchisor requires in its sole and absolute discretion.

### 9.4 Trade Dress Modifications.

9.4.1 Franchisee is aware that to maintain and improve the image and reputation of the System, Franchisor, in its sole and absolute discretion, may change and modify identifying elements of the System, including but not limited to, the adoption and use of new or modified color schemes, tag lines, logos or marks (collectively, "Trade Dress Modifications").

9.4.2 Franchisee shall, at Franchisee's sole expense, modify identifying elements of the Franchised Business, as required by Franchisor to conform to Trade Dress Modifications. Franchisee, upon notice by Franchisor and in accordance with Section 14.6 hereof, shall immediately discontinue the use of any Mark that is no longer desirable or available to Franchisor and substitute a different Mark or Marks as Franchisor directs.

9.4.3 Franchisee will accept, use and display any such Trade Dress Modifications as if they were a part of this Franchise Agreement at the time of execution hereof.

9.5 No Liability/Waiver of Claims. Franchisor shall not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any of the modifications, including Trade Dress Modifications, required by this Article 9. Franchisee hereby covenants not to commence or join in any litigation or other proceeding against Franchisor or any third party, complaining of any such or seeking expenses, losses or damages caused thereby. Further, Franchisee expressly waives any claims, demands or damages arising from or related to the modifications contemplated by this Article 9, including, without limitation, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.

9.6 Franchisee Advisory Council. Franchisor reserves the right to create (and if created, the right to change or dissolve) a franchisee advisory council as a formal means for System franchisees to communicate ideas. In the event a franchisee advisory council is created, Franchisor may invite Franchisee to participate in council-related activities and meetings, which invitation may be based on a franchisee's level of success, superior performance and profitability.

## **10. FRANCHISOR'S OBLIGATIONS.**

Franchisor and/or its designated representative will provide the services described below:

10.1 Territory and Site Determination. Designate the boundaries of Franchisee's Territory, by description and/or mapped boundaries, and set forth same in Attachment 3 attached hereto and incorporated herein. Franchisor shall also approve a warehouse and commercial site of the Franchised Business office premises in accordance with Section 8.1.

10.2 Manual. Provide Franchisee access to the Confidential Operations Manual and such other manuals and written materials as Franchisor may hereafter develop for use by franchisees, as the same may be revised by Franchisor from time to time. Such documents may be provided electronically or via the internet, at Franchisor's sole and absolute discretion.

10.3 Pre-Opening Requirements. Provide Franchisee with a written list of equipment, fixtures, tools, signage, supplies and products that will be required and/or recommended to open the Franchised Business for business.

10.4 Advertising Materials. Provide samples or digital artwork of certain advertising and promotional materials and information that Franchisor may develop from time to time for use by Franchisee in marketing and conducting local advertising for the Franchised Business.

10.5 List of Supplies/Suppliers. Make available from time to time, and amend as deemed appropriate by Franchisor, a list of required and/or recommended products and services for System franchisees and a list of approved and/or recommended suppliers of such items.

10.6 Training. The training programs specified in Article 7 herein.

10.7 On-Going Assistance. In-Territory post-opening assistance in accordance with the provisions of Article 7.

10.8 Brand Fund. Administer a Brand Fund in accordance with Section 13.3.

## **11. FRANCHISEE'S REPRESENTATIONS, WARRANTIES AND COVENANTS.**

11.1 Best Efforts. Franchisee, including each of Franchisee's Principals covenants and agrees that he or she shall make all commercially reasonable efforts to operate the Franchised Business so as to achieve optimum sales.

11.2 Corporate Representations. If Franchisee is a corporation, partnership, limited liability company, or other legal entity, Franchisee and each Principal represent, warrant and covenant that:

11.2.1 Franchisee is duly organized and validly existing under the state law of its formation;

11.2.2 Franchisee is duly qualified and is authorized to do business in the jurisdiction of the Territory;

11.2.3 Franchisee's organizational documents shall at all times provide that the activities of Franchisee are confined exclusively to the operation of the Franchise granted herein, unless otherwise consented to in writing by Franchisor, which consent may be withheld by Franchisor in Franchisor's sole discretion;

11.2.4 The execution of this Agreement and the consummation of the transactions contemplated hereby are within Franchisee's power and have been duly authorized by Franchisee;

11.2.5 Any financial statements and tax returns provided to Franchisor shall be certified as true, complete and correct and shall have been prepared in conformity with generally accepted accounting principles applicable to the respective periods involved and, except as expressly described in the applicable notes, applied on a consistent basis. No material liabilities, adverse claims, commitments or obligations of any nature exist as of the date of the statements or returns, whether accrued, unliquidated, absolute, contingent or otherwise, that are not reflected as liabilities.

11.3 Spouse Guaranty. If any Franchisee or Principal is a married individual and the Franchisee's or Principal's spouse has not executed this Agreement, such Franchisee or Principal shall cause his or her spouse to personally execute and bind himself or herself to the terms of a Guaranty, in the form attached as Attachment 8 hereof.

#### 11.4 Appointment of Manager.

11.4.1 Franchisee shall designate and retain at all times a general manager ("General Manager") to direct the operation and management of the Franchised Business location. Franchisee shall designate its General Manager prior to attending the Initial Management Training Program. The General Manager shall be responsible for the daily operation of the Franchised Business location.

11.4.2 The General Manager shall, during the entire period he or she serves as General Manager, meet the following qualifications:

11.4.2.1 The General Manager shall meet Franchisor's standards and criteria for such individual, as set forth in the Manual or otherwise in writing by Franchisor and shall be an individual otherwise acceptable to Franchisor in its sole discretion.

11.4.2.2 The General Manager shall devote his or her full time and best efforts to the supervision and management of the Franchised Business, and may not engage in any other competitive business activity without the Franchisor's consent, which may be withheld in Franchisor's sole discretion.

11.4.2.3 The General Manager shall satisfy the training requirements set forth in Article 7.

11.4.3 If the General Manager is not able to continue to serve in such capacity, or no longer qualifies to act as such in accordance with this Agreement, Franchisee shall promptly notify Franchisor and designate a replacement within thirty (30) days after the General Manager ceases to serve, such replacement being subject to the same qualifications required by this Agreement. Franchisee's replacement General Manager shall attend and satisfactorily complete the Initial Management Training Program, at Franchisee's sole cost and expense,

including the payment of the then-current tuition. Until such replacement is designated and trained, Franchisee shall provide interim management of the Franchised Business, who shall act in accordance with the terms of this Agreement. Any failure to comply with the requirements of this Section shall be deemed a material event of default under this Agreement. Franchisor, in Franchisor's sole discretion, may provide interim management support and charge Franchisee twenty percent (20%) of the Gross Revenue generated by the Franchised Business during Franchisor's operation thereof until such General Manager is properly trained or certified in accordance with Franchisor's requirements, plus any and all costs of travel, lodging, meals and other expenses reasonably incurred by Franchisor, and shall be withdrawn from Franchisee's designated bank account in accordance with Section 6.1.3.

11.4.2 Franchisee shall promptly notify Franchisor when any employee, agent, or third-party affiliate previously granted access to Franchisor's proprietary or confidential information ceases to be employed or affiliated with Franchisee, so that any and all access rights to Franchisor proprietary or confidential information may be terminated and all such materials returned to Franchisor. Any failure by Franchisee to comply with the requirements of this Section shall be deemed a material event of default under this Agreement.

11.4.3 If, at any time during this Agreement, Franchisee or Franchisee's approved manager can no longer personally supervise the Franchised Business in accordance with this Agreement, Franchisee shall promptly notify Franchisor and designate, with Franchisor's prior approval, a replacement manager within thirty (30) days after Franchisee or Franchisee's approved manager ceases to serve, such replacement being subject to the same qualifications required by this Agreement. Franchisee's replacement manager shall attend and satisfactorily complete Franchisor's Initial Training Program, at Franchisee's sole cost and expense, including the payment of the then-current tuition. Franchisor, in Franchisor's sole discretion, may provide interim management support and charge Franchisee an interim management fee, at the then-current rate, until an approved replacement manager is properly trained or certified in accordance with Franchisor's requirements. Payment of such interim management fee, plus any and all costs of travel, lodging, meals and other expenses reasonably incurred by Franchisor, shall be withdrawn from Franchisee's designated bank account in accordance with Section 6.1.4.

11.5 Legal Compliance. Franchisee shall comply with all federal, state and local laws, rules and regulations and shall timely obtain any and all permits, certificates or licenses necessary for the full and proper conduct of the Franchised Business. Such laws, rules and regulations shall include, without limitation, licenses to do business, fictitious name registrations, sales and other tax permits, certificates or licenses required by any industry regulatory agency or association and any other requirement, rule, law or regulation of any federal, state or local jurisdiction. Franchisee shall further comply with all industry best practices with respect to the handling, storage and disposal of vehicles, equipment and other supplies.

11.6 Claims and Potential Claims. Franchisee shall notify Franchisor in writing within three (3) days of any incident or injury that could lead to, or the actual 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, which in any way relating to or affecting the operation or financial condition of the Franchised Business. Any and all media inquiries concerning the Franchised Business or Franchised Business location, including, but not limited to, the business operation and incidents and occurrences related to a customer or employee, shall be referred to Franchisor. Neither Franchisee, Franchisee's employees nor anyone on Franchisee's behalf may comment to any broadcast medium, except as directed by Franchisor.

11.7 Assignment of Numbers and Listings. At Franchisor's request, Franchisee shall execute such forms and documents as Franchisor deems necessary to appoint Franchisor its true and lawful attorney-

in-fact, with full power and authority, for the sole purpose of assigning to Franchisor, Franchisee's telephone numbers and listings; and provide Franchisor with passwords and administrator rights for all email, software, social media or other such accounts used or created by Franchisee in order to operate the Franchised Business. Upon the expiration or termination of this Agreement, Franchisor may exercise its authority, pursuant to such documents, to obtain any and all of Franchisee's rights to the telephone numbers of the Franchised Business and all related telephone directory listings and other business listings, and all internet listings, domain names, internet advertising, websites, listings with search engines, electronic mail addresses, social media, or any other similar listing or usages related to the Franchised Business.

11.8 Access to Tax Filings. Upon execution of this Agreement, and at any time thereafter upon Franchisor's request, Franchisee shall execute such forms and documents as Franchisor deems necessary, to appoint Franchisor its true and lawful attorney-in-fact with full power and authority, for the sole purpose of obtaining any and all returns and reports filed by Franchisee with any state or federal taxing authority.

11.9 Continuing Obligation. Franchisee and each Principal acknowledge and agree that the representations, warranties and covenants set forth in this Article 11 are continuing obligations of Franchisee and each Principal, as applicable, and that any failure to comply with such representations, warranties and covenants shall constitute a material event of default under this Agreement. Franchisee and each Principal shall cooperate with Franchisor in any efforts made by Franchisor to verify compliance with such representations, warranties and covenants.

11.10 Working Capital Requirements. At all times during the term of this Agreement, Franchisee shall maintain and employ as much working capital as may be required to enable the Franchisee to properly and fully perform all of their duties, obligations, and responsibilities.

## **12. FRANCHISEE'S OPERATIONS.**

12.1 Operation of Franchised Business. In order to maintain the highest degree of quality and service on a uniform System-wide basis, Franchisee shall operate the Franchised Business in conformity with the methods, standards and specifications prescribed by Franchisor. Franchisee agrees to comply with the Manual, as it is modified from time to time, and all directives, rules and procedures specified by Franchisor, and will, among other things:

12.1.1 Procure the necessary licenses or permits to allow the operation of the Franchised Business and otherwise comply with all applicable governmental laws, ordinances, rules and regulations;

12.1.2 Use only the equipment, tools, and supplies that conform with Franchisor's specifications and/or which shall be purchased from only those vendors designated and approved by Franchisor;

12.1.3 Employ sufficient employees as prescribed by Franchisor to operate the Franchised Business at its maximum capacity and efficiency as required by Franchisor;

12.1.4 Conduct sales and service of customers using Franchisor's format, methods, forms, reports and software and otherwise in accordance with Franchisor's standards and specifications;

12.1.5 Maintain in good working order, cleanliness and appearance, a vehicle for use in the Franchised Business. Franchisor reserves the right to set specifications and standards of condition, age and branding, as set forth in the Manual, of vehicles used in the Franchised Business;

12.1.6 Employ only qualified individuals who are trained in accordance with Franchisor's standards, including but not limited to the protection of Franchisor's confidential and proprietary information, and who will at all times enhance Franchisor's brand and conduct themselves in a competent and courteous manner in accordance with this Agreement and the image and reputation of the System. Franchisee shall use its best efforts to insure that Franchisee's employees maintain a neat and clean appearance and render competent and courteous service to patrons of the Franchised Business. Franchisee acknowledges and agrees that poorly trained employees, sloppy or unclean appearances and incompetent or discourteous service are extremely damaging to the goodwill of the System and the Marks and are a material default of this Agreement;

12.1.7 Permit Franchisor or its agents, to inspect the Franchised Business and any services, products or equipment, through service attendance or otherwise, to determine whether they meet Franchisor's then-current standards, specifications and requirements. In addition to any other remedies Franchisor may have, Franchisee shall reimburse Franchisor for Franchisor's inspection costs of any item that does not conform to the System standards and specifications;

12.1.8 Prominently display identifying elements of the System of such nature, form, color, number, location and size, and containing such material, as Franchisor may from time to time reasonably direct or approve in writing; and to refrain from using any sign, advertising media or identifying element of any kind to which Franchisor reasonably objects, including signs and advertising media which have been outdated. Upon giving Franchisee notice of its objection to same or upon termination hereof, Franchisor may at any time enter upon the Franchised Business office location or elsewhere and remove any objectionable or non-approved sign, advertising media or identifying element and keep or destroy same without paying therefor or without being deemed guilty of trespass or any other tort; and

12.1.9 Conduct all advertising programs in a manner consistent with Franchisor's standards and specifications, in a manner satisfactory to Franchisor and that will not detract from the reputation of the System or the Marks.

12.1.10 Franchisee must include in the Franchisee's email signature in each email communication the following language or similar language the Franchisor require: "[your corporate entity or individual name] independently owns and operates this [GoMobile Tires] franchise."

## 12.2 Bookkeeping and Reports.

12.2.1 Franchisee agrees to keep and maintain complete and accurate books and records of its transactions and business operations using the accounting procedures and chart of accounts specified by Franchisor. Franchisee agrees to purchase the Computer Systems specified in Section 12.3 to maintain the records and accounts of the Franchisee to the standards of the Franchisor. Franchisee acknowledges and agrees that the financial data of Franchisee's Franchised Business (i) is owned by Franchisor, (ii) is Franchisor's Proprietary Information, (iii) may be published in franchise disclosure document(s) issued by Franchisor following the Effective Date hereof, and (iv) may be shared with other franchisees in the System.

12.2.2 Within ten (10) days after the close of each calendar month and within ninety (90) days after the close of each fiscal year, Franchisee will furnish Franchisor a full and complete written statement of income and expense and a profit and loss statement for the operation of the Franchised Business during said period, together with a balance sheet for the Franchised Business, all of which shall be prepared in accordance with generally accepted accounting principles and practice. Franchisee's annual statements and balance sheets shall be prepared by an independent certified public accountant and certified to be correct.

12.2.3 The financial statements required hereunder shall be in such form and contain such information as Franchisor may from time to time reasonably designate.

12.2.4 Franchisor reserves the right to require Franchisee to engage the services of a third-party accounting services firm, designated and approved by Franchisor, in the event that (i) Franchisee fails to keep books and records in accordance with Franchisor's standards or (ii) Franchisor, in its sole discretion, determines that use of a third-party accounting services firm by all System franchisees is beneficial to the System.

12.2.5 Franchisor shall have the right at all reasonable times to examine, at its expense, Franchisee's books, records, and tax returns. If Franchisor's examination finds an understatement of any Gross Revenue Report, Franchisee shall pay Franchisor the amounts due together with interest thereon at the rate provided herein. Additionally, if Franchisee (i) had failed to timely submit Gross Revenue Reports twice or more within a twelve (12)-month period or (ii) understated Gross Revenue by two percent (2%) or more, Franchisee shall reimburse Franchisor for the cost of such examination. Such understatement may be considered a material default hereunder. Two (2) such understatements during the term of this Agreement may, at the option of Franchisor, be considered an incurable default and thereby subject to termination as provided herein.

### 12.3 Computer Systems.

12.3.1 Franchisee, at Franchisee's sole expense, shall install and maintain the Computer System and other computer hardware, software, applications and accounts Franchisor requires for the operation of the Franchised Business and shall follow the procedures related thereto that Franchisor specifies in the Manual or otherwise in writing.

12.3.2 Franchisor may require Franchisee, at Franchisee's sole expense, to install and maintain systems and payment processing and bookkeeping accounts that permit Franchisor to independently and electronically access and retrieve any information stored in Franchisee's Computer System and accounts, including, without limitation, information concerning Gross Revenue. Upon Franchisor's request, Franchisee shall execute such documents as Franchisor deems necessary to permit Franchisor to independently and electronically access and retrieve all information stored on Franchisee's Computer System, other systems and payment processing and bookkeeping accounts.

12.3.3 Any and all data, including customer data, collected or provided by Franchisee, retrieved from Franchisee's Computer System, or otherwise collected from Franchisee by Franchisor or provided to Franchisor, is and will be owned exclusively by Franchisor and will be considered to be Franchisor's proprietary and Confidential Information. Franchisor has the right to use such data in any manner without compensation to Franchisee. Franchisor licenses to Franchisee the use of such data solely for the purpose of operating the Franchised Business; provided that, this license shall automatically and irrevocably terminate, without any additional action or notice required by Franchisor, upon the expiration or earlier termination of this Agreement.

12.3.4 Franchisor may require Franchisee, at Franchisee's sole expense, to enter into software license agreements in the form that Franchisor requires for software Franchisor develops or acquires for use in the System.

12.3.5 Franchisee shall have and maintain adequate hardware and software in order to access the internet at the speed required by Franchisor from time to time. Franchisee shall utilize the electronic mail account provided by Franchisor. Franchisee shall promptly read and respond to all electronic mail related to the Franchised Business no less often than on a daily basis and shall accept and acknowledge receipt of all

electronic mail sent by Franchisor. Franchisee shall not establish any website or other listing on the internet except as provided and specifically permitted herein.

12.3.6 Franchisor has established a website that provides information about the System and the services and products offered by GoMo Tires System (the “Website”). Franchisor has sole discretion and control over the Website. Franchisor shall include a listing on its Website linking Franchisee’s Franchised Business location information. Franchisee has no ownership or other proprietary rights to the Website and Franchisee will lose all rights to such link to Franchisee’s location upon expiration or termination of this Agreement for any reason.

12.3.7 In addition to Franchisee’s obligation pursuant to Section 6.6 hereof, Franchisee shall pay all fees, whether to Franchisor or to third party vendor(s), and expenses for technology required by this Agreement, for operation of the Franchised Business, including but not limited to, the costs of computer hardware and software and applications, installation costs, and regularly recurring fees for software and internet access, license fees, help desk fees, and licensing or user-based fees.

12.3.8 Franchisee is solely responsible for maintaining the security and integrity of the computer and payment processing systems used in the Franchised Business and the customer and other data stored therein. Franchisee, at Franchisee’s sole cost and expense, shall implement all computer hardware, software and internet security procedures, including required updates or upgrades thereto, that are reasonably necessary to protect Franchisee’s computer and payment processing systems and the data stored therein from viruses, malware, privacy breaches or other unauthorized access.

12.4 Customer Safety. Franchisee shall conduct a background review of every prospective employee's criminal history and any other histories (such as motor vehicle, medical and/or credit histories) that Franchisor requires and that Franchisee determines to be necessary and appropriate, prior to hiring. Franchisee shall not hire any prospective employee for any position involving entrance to a residence if such prospective employee's background review indicates, in Franchisee's sole discretion, a propensity for violence, dishonesty, negligent, reckless or careless behavior, or a conviction for any crime. Notwithstanding the foregoing, all matters of employment and the safety of Franchisee’s customers are within Franchisee’s discretion and control. Franchisor shall not be liable to Franchisee, any employee or prospective employee of Franchisee, or any third party for any act or omission of Franchisee or any employee or agent of Franchisee, and Franchisee’s indemnification obligations set forth in Section 15.6 hereof shall apply to any claims, demands or actions against Franchisor arising from any act or omission of Franchisee or any employee or agent of Franchisee (including, without limitation, refusal to hire or discrimination claims or claims asserted by third parties for torts allegedly committed by any employee or agent of Franchisee).

12.5 Prices. Subject to applicable law, Franchisor will advise Franchisee on setting the advertised selling price for services and products offered by Franchisee, which may vary depending on geographic and other market conditions. Franchisee acknowledges that Franchisor has made no guarantee or warranty that offering services or products at any particular price will enhance Franchisee’s sales or profits.

12.5.1 Franchisor reserves the right to develop and market special discount or free coupon programs. You will have the right, but not the obligation, to participate in these programs. Franchisor will notify the Franchisee of the creation and provisions of a discount or coupon program. Within five (5) days after receipt of the notice, Franchisee will respond whether or not they wish to participate in that program. If Franchisee does participate, Franchisee shall adhere to all provisions of the program. If Franchisee does not participate in program, Franchisor will have the right to advise consumers, by advertising, sales solicitation or otherwise, that the Franchisee is not a participant. Franchisee will not be entitled to the benefits of that program. Franchisor will

establish the discount or coupon programs it's our sole discretion and will not have any obligation to consult or confer with any franchisees with respect to the nature, content or amount of any discount or coupon established pursuant to any program. Except as otherwise required by law, any discount or coupon programs or other promotions Franchisee desires to offer will be subject to Franchisor's prior written approval at Franchisor's discretion.

12.6 Unapproved Item/Suppliers. If Franchisee desires to purchase, lease or use any unapproved equipment, product, or service or to purchase, lease or use any equipment, product or service from an unapproved supplier, Franchisee shall submit to Franchisor a written request for such approval prior to utilizing such product, service or supplier. Franchisee shall not purchase or lease any item or use any supplier until and unless such item or supplier has been approved in writing by Franchisor. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities and to test or otherwise evaluate samples from the supplier. Franchisor reserves the right to charge Franchisee a fee equal to the actual cost and expense to Franchisor for inspection and testing. Franchisor shall notify Franchisee whether Franchisor approves or disapproves of the proposed item or supplier within thirty (30) days after Franchisor receives all required information to evaluate the product, service or supplier. Franchisor reserves the right, at its option, to re-inspect from time to time the facilities and products of any such approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's then-current criteria. Nothing in the foregoing shall be construed to require Franchisor to approve any particular item or supplier.

12.7 External Quality Assurance Services. Franchisor reserves the right to establish quality assurance programs conducted by third-party providers, including, but not limited to, mystery shop programs, satisfaction surveys and periodic quality assurance audits ("Quality Review Services"). Upon Franchisor's request and at Franchisee's sole cost and expense, Franchisee shall subscribe to any such third-party provider for Quality Review Services to monitor the operations of the Franchised Business as directed by Franchisor.

12.8 Variations in Standards. Notwithstanding anything to the contrary contained in this Agreement and this Section 12 in particular, Franchisee acknowledges and agrees that because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, at its sole discretion and as it may deem in the best interests of all concerned in any specific instance, to vary performance standards for some franchisees based upon the peculiarities and characteristics of the particular site or circumstance, business potential, existing business practices or any other condition which Franchisor deems to be of importance to the successful operation of such particular franchise business. Franchisor has full rights to vary standard specifications and practices for any other franchisee at any time without giving Franchisee comparable rights. Franchisee shall not be entitled to require Franchisor to disclose or grant to Franchisee a like or similar variation.

### **13. ADVERTISING, PROMOTIONS AND RELATED FEES.**

13.1 Advertising Programs. Franchisor may from time to time develop and administer advertising and sales promotion programs designed to promote and enhance the collective success of all Franchised Businesses operating under the System. Franchisee shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor from time to time for each program. In all aspects of these programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, the standards and specifications established by Franchisor, as modified from time to time, shall be final and binding upon Franchisee.

13.2 Local Advertising.

13.2.1 In addition to the ongoing advertising contributions set forth herein, and following the expenditures set forth in Section 13.2.3 below, Franchisee shall pay to the Franchisor, throughout the Term of this Agreement, not less than two and a half percent (2.5%) of the average System-wide Gross Revenue per territory per month for outlets open at least one year as published by Franchisor from time to time (“Local Advertising”). Franchisor may require Franchisee to allocate to an advertising cooperative, as described in Section 13.4, some or all of Franchisee’s required Local Advertising expenditures. Such allocation will be in partial or full satisfaction of Franchisee’s obligations pursuant to this Section 13.2.1.

13.2.2 Within ten (10) business days of Franchisor’s request, Franchisee shall provide a quarterly expenditure report accurately reflecting Franchisee’s Local Advertising expenditures for the preceding quarterly period. The following costs and expenditures incurred by Franchisee shall *not* be included in Franchisee’s expenditures on Local Advertising for purposes of this Section, unless approved in advance by Franchisor in writing: (i) incentive programs for employees or agents of Franchisee; (ii) research expenditures; (iii) salaries and expenses of any of Franchisee’s personnel to attend advertising meetings, workshops or other marketing activities; (iv) charitable, political or other contributions or donations.

13.2.3 Franchisee shall spend at least Thirty Thousand Dollars (\$30,000.00) on Local Advertising and promotional activities in the Territory thirty (30) days prior to and within the ninety (90) days after the opening of the Franchised Business to promote the opening of the Franchised Business. Franchisee shall conduct Franchisee’s grand opening campaign in accordance with plans approved by Franchisor. Franchisee acknowledges that additional funds may be required for approved grand opening activities in the Territory.

### 13.3 Brand Fund.

13.3.1 Franchisor has the right to establish a national fund on behalf of the System for national advertising, marketing, and brand development (the “Brand Fund”). Franchisor may require the Franchisee to contribute up to five percent (5%) of the Gross Revenues generated weekly by Franchisee’s Franchised Business to the Brand Fund (“Brand Fund Contribution”). Payments will be made in the same manner and time as the Royalty Fees. If Franchisee fails to timely report Gross Revenues, then, in addition to a late fee and interest pursuant to Sections 6.2 and 6.3 hereof, Franchisor shall collect one hundred percent (100%) of the last Brand Fund Contribution payable. Franchisor shall reconcile amounts when Gross Revenues are reported. Franchisor reserves the right to modify the method and frequency of collection of the Brand Fund Contribution upon forty-five (45) days’ prior notice to Franchisee.

13.3.2 Franchisor shall direct the Brand Fund and shall have sole discretion to approve or disapprove the creative concepts, materials and media used in such programs and the placement and allocation thereof. Franchisee agrees and acknowledges that the Brand Fund is intended to maximize general public recognition and acceptance of the Marks and enhance the collective success of all Franchised Businesses operating under the System.

13.3.3 Franchisor may, but has no obligation to, contribute to the Brand Fund on the same basis as Franchisee with respect to GoMo Tires outlets operated by Franchisor or Franchisor’s affiliates.

13.3.4 Franchisor may use the Brand Fund to satisfy any and all costs of developing, preparing, producing, directing, administering, conducting, maintaining and disseminating advertising, marketing, promotional and public relations materials, programs, campaigns, sales and marketing seminars and training programs of every kind and nature, through media now existing or hereafter developed (including, without limitation, the cost of television, radio, magazine, social media, newspaper and electronic advertising

campaigns; direct mail and outdoor billboard advertising; public relations activities; conducting marketing research, employing advertising agencies to assist therein; developing, enhancing and maintaining the Website, social media platforms, apps, and other technology for the benefit of the brand image and/or Systemwide improvements; and staff salaries and other personnel and departmental costs for advertising that Franchisor internally administers or prepares). While Franchisor does not intend that any part of the Brand Fund will be used for advertising which is principally a solicitation for franchisees, Franchisor reserves the right to use the Brand Fund for public relations, to explain the franchise system, and/or to include a notation in any advertisement indicating “Franchises Available.”

13.3.5 The Brand Fund will not be used to defray any of Franchisor’s general operating expenses, except for reasonable administrative costs and overhead that Franchisor may incur in activities related to the administration and direction of the Brand Fund and such costs and expenses pursuant Section 13.3.4. The Brand Fund and its earnings shall not otherwise inure to Franchisor’s benefit except that any resulting technology and intellectual property shall be deemed the property of Franchisor.

13.3.6 Franchisor will prepare an unaudited annual statement of the Brand Fund’s operations and will make it available to Franchisee upon request. In administering the Brand Fund, Franchisor undertakes no obligation to make expenditures for Franchisee that are equivalent or proportionate to Franchisee’s contribution or to ensure that any particular franchisee benefits directly or pro rata from the production or placement of advertising.

13.3.7 Although the Brand Fund is intended to be of perpetual duration, Franchisor may terminate it at any time and for any reason or no reason. Franchisor will not terminate the Brand Fund, however, until all monies in the Brand Fund have been spent for advertising or promotional purposes or returned to contributors, without interest, on the basis of their respective contributions.

13.4 Regional Advertising. Franchisor reserves the right to establish, in Franchisor’s sole discretion, a regional advertising cooperative. If a regional cooperative is established during the term of this Agreement, Franchisee agrees to sign all documents Franchisor requests to become a member of the cooperative according to the terms of the documents. If Franchisor establishes a regional cooperative, Franchisee agrees to contribute amounts equal to Franchisee’s share of the total cost of cooperative advertising, in addition to required Brand Fund Contributions.

13.5 Directory Listings. At Franchisee’s sole cost and expense, Franchisee must list the Franchised Business in local business directories, including, but not limited to, listings on internet search engines. If feasible, and with Franchisor’s prior written approval, Franchisee may do cooperative listings with other System franchisees. Notwithstanding the foregoing, Franchisee may not maintain any business profile on Facebook, Instagram, TikTok, Twitter, LinkedIn, YouTube, or any other social media and/or networking site without Franchisor’s prior written approval and in strict accordance with Franchisor’s requirements.

13.6 Approval of Advertising. All advertising and promotion by Franchisee, in any medium, shall be conducted in a professional manner and shall conform to the standards and requirements of Franchisor as set forth in the Manual or otherwise. Franchisee shall submit to Franchisor for its approval samples of all advertising, press releases, promotional plans and materials and public relations programs that Franchisee desires to use, including, without limitation, any materials in digital, electronic or computerized form, or in any form of media now or hereafter developed that have not been either provided or previously approved by Franchisor. Franchisor shall approve or disapprove such plans and materials within ten (10) business days of Franchisor’s receipt thereof. If Franchisor fails to respond to Franchisee’s submission within ten (10) business days, such plans and materials shall be deemed “disapproved”. Franchisee shall not use such unapproved plans or materials until they have been approved by Franchisor

in writing, and shall promptly discontinue use of any advertising or promotional plans or materials, whether or not previously approved, upon notice from Franchisor. Any advertising, marketing or sales concepts, programs or materials proposed or developed by Franchisee for GoMo Tires brand and approved by Franchisor may be used by other System franchisees without any compensation to Franchisee.

## **14. INTELLECTUAL PROPERTY.**

### **14.1 Ownership.**

14.1.1 Franchisee expressly understands and acknowledges that the Franchisor, Franchisor's affiliate, or its successor ("Licensor") is the record owner of the Marks. Franchisor holds the exclusive right to license the Marks to franchisees of the System for use pursuant to the System. Franchisee further expressly understands and acknowledges that Franchisor and/or Licensor claims copyrights on certain material used in the System, including but not limited to its website, documents, curriculum, proprietary software, advertisements, promotional materials and the Manual, whether or not Franchisor has filed for copyrights thereto with the U.S. Copyright Office. The Marks and copyrights, along with Franchisor's trade secrets, service marks, trade dress and proprietary systems are hereafter collectively referred to as the "Intellectual Property".

14.1.2 As between Franchisor and Franchisee, Licensor and Franchisor are the owner of all right, title and interest in and to the Intellectual Property and the goodwill associated with and symbolized by them.

14.2 No Interference. Neither Franchisee nor any Principal shall take any action that would prejudice or interfere with the validity of Franchisor's or Licensor's rights with respect to the Intellectual Property. Nothing in this Agreement shall give the Franchisee any right, title, or interest in or to any of the Intellectual Property or any of Franchisor's or Licensor's service marks, trademarks, trade names, trade dress, logos, copyrights or proprietary materials, except the right to use the Intellectual Property and the System in accordance with the terms and conditions of this Agreement for the operation of a Franchised Business and only in the Territory or in approved advertising related to the Franchised Business.

14.3 Goodwill. Franchisee understands and agrees that any and all goodwill arising from Franchisee's use of the Intellectual Property and the System shall inure solely and exclusively to the benefit of Franchisor and Licensor, and upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the Intellectual Property.

14.4 Validity. Franchisee shall not contest the validity of, or Franchisor's or Licensor's interest in, the Intellectual Property or assist others to contest the validity of, or Franchisor's or Licensor's interest in, the Intellectual Property.

14.5 Infringement. Franchisee acknowledges that any unauthorized use of the Intellectual Property shall constitute an infringement of Franchisor's or Licensor's rights in the Intellectual Property and a material event of default hereunder. Franchisee shall provide Franchisor or Licensor with all assignments, affidavits, documents, information and assistance Franchisor or Licensor reasonably requests to fully vest in Franchisor or Licensor all such rights, title and interest in and to the Intellectual Property, including all such items as are reasonably requested by Franchisor or Licensor to register, maintain and enforce such rights in the Intellectual Property.

14.6 Substitution. Franchisor reserves the right to substitute different Marks for use in identifying the System and the Franchised Business, if in its sole discretion, determines that substitution

of different Marks will be beneficial to the System. Franchisor will not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any additions, modifications, substitutions or discontinuation of the Marks. Franchisee covenants not to commence or join in any litigation or other proceeding against Franchisor for any of these expenses, losses or damages.

14.7 Franchisee's Use of the Intellectual Property. With respect to Franchisee's use of the Intellectual Property pursuant to this Agreement, Franchisee further agrees that:

14.7.1 Unless otherwise authorized or required by Franchisor, Franchisee shall advertise the Franchised Business only under the Marks "GoMo Tires" and design. Franchisee shall not use the Marks, or any portions, variations, or derivatives thereof, as part of its corporate or other legal name. All fictitious names used by Franchisee shall bear the designation "a franchisee of GoMo Tires, LLC."

14.7.2 Franchisee shall identify itself as the owner of the Franchised Business and as an independent GoMo Tires franchisee in conjunction with any use of the Intellectual Property, including, but not limited to, uses on invoices, order forms, receipts, and contracts, as well as the display of a notice in such content and form and at such conspicuous locations at the Franchised Business office and/or Storage Site, as Franchisor may designate in writing.

14.7.3 Franchisee shall not use the Intellectual Property to incur any obligation or indebtedness on behalf of Franchisor.

14.7.4 Any item offered by Franchisee that contains the Marks, must be approved by Franchisor in writing prior to being distributed or sold by Franchisee and such approval may be granted or denied in Franchisor's sole and absolute discretion.

14.8 Claims. Franchisee shall notify Franchisor immediately via both email and telephone, of any apparent infringement of or challenge to Franchisee's use of any Intellectual Property and of any claim by any person of any rights in any Intellectual Property. Franchisee shall not communicate with any person other than Franchisor or any designated affiliate thereof, their counsel and Franchisee's counsel in connection with any such infringement, challenge or claim. Franchisor shall have complete discretion to take such action as it deems appropriate in connection with the foregoing, and the right to control exclusively, or to delegate control to any of its affiliates of, any settlement, litigation or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any Intellectual Property. Franchisee agrees to execute any and all instruments and documents, render such assistance, and do such acts or things as may, in the opinion of Franchisor, reasonably be necessary or advisable to protect and maintain the interests of Franchisor or any other person or entity in any litigation or other proceeding or to otherwise protect and maintain the interests of Franchisor or any other interested party in the Intellectual Property. Franchisor will indemnify and defend Franchisee against and reimburse Franchisee for actual damages (including settlement amounts) for which Franchisee is held liable in any proceeding arising out of Franchisee's use of any of the Intellectual Property that infringes on the rights of any other party, provided that the conduct of Franchisee with respect to such proceeding and use of the Intellectual Property has been in full compliance with the terms of this Agreement.

14.9 Franchisor may use and grant franchises and licenses to others to use the Intellectual Property and the System and to establish, develop and franchise other systems, different from the System licensed to Franchisee herein, without offering or providing Franchisee any rights in, to or under such other systems and Franchisor may modify or change, in whole or in part, any aspect of the Intellectual Property or the System, so long as Franchisee's rights thereto are in no way materially harmed thereby.

14.10 Franchisee shall not register or attempt to register the Intellectual Property in Franchisee's

name or that of any other person, firm, entity or corporation.

## **15. INSURANCE AND INDEMNIFICATION.**

15.1 Procurement. Franchisee shall procure, prior to the commencement of any operations under this Agreement, and thereafter maintain in full force and effect during the term of this Agreement at Franchisee's sole cost and expense and to Franchisor's sole satisfaction, insurance policies protecting Franchisee and Franchisor, and naming Franchisor, its officers, directors, partners, owners, employees and affiliates as additional insureds as their interests may appear, in the following minimum limits (except as additional coverage and higher policy limits may reasonably be specified from time to time in the Manual or otherwise in writing):

- 15.1.1 During the term of this Agreement, Franchisee shall maintain in force policies of insurance with the following minimum limits of coverage for each Franchise, issued by licensed insurers approved by Franchisor:
- 15.1.2 Broad form commercial general liability coverage, on an occurrence form (including premises and operations, products and completed operations, personal & advertising injury, broad form contractual, and employers' liability), against claims for bodily injury, personal injury, including death, and property damage with minimum limits of not less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate for each coverage;
- 15.1.3 All risk property insurance including equipment breakdown for the full replacement cost sufficient to cover all business personal property including contents, leasehold improvements, furniture, fixtures, equipment, and signs;
- 15.1.4 Loss of income including extra expense insurance with sufficient limits to cover all ongoing expenses, including, future profits, royalty fees, advertising contributions, ordinary payroll for competent personnel and other fixed expenses for a minimum of 24 months from the date of loss;
- 15.1.5 Plate glass insurance (if applicable);
- 15.1.6 Worker's compensation and employer's liability insurance in statutory amounts;
- 15.1.7 Unemployment insurance and state disability as required by governing laws;
- 15.1.8 Business automobile liability, including bodily injury and property damage coverage for all owned, non-owned and hired vehicles, with limits of not less than One Million Dollars (\$1,000,000) for injuries to persons resulting from any one accident, and Five Hundred Thousand Dollars (\$500,000) for property damage resulting from any one accident;
- 15.1.9 Commercial umbrella liability insurance with limits not less than Two Million Dollars (\$2,000,000) each occurrence. The umbrella liability will be on a following form basis of the underlying policies (commercial general liability, premises and operations, products

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

15.1.10 Blanket employee dishonesty coverage with minimum limits of not less than Fifty Thousand Dollars (\$50,000);

15.1.11 Monies and Securities coverage with limits of not less than Ten Thousand Dollars (\$10,000) inside limit and Five Thousand Dollars (\$5,000) outside limit; and

15.1.12 Cyber and privacy liability with minimum limits of Thirty Thousand (\$30,000) including, crisis management and data extortion expense.

15.2 Casualty. If the franchise vehicle is damaged by fire or other casualty, Franchisee shall repair the damage as soon as commercially practicable. If the damage or repair requires the cessation of franchise operations, Franchisee shall (i) immediately notify us, (ii) repair or replace vehicle following Franchisor specifications; and (iii) re-open the Franchise for continuous business operations as soon as commercially practicable (but in any event, within 90 days after the casualty event). Franchisee shall give advance notice to the Franchisor of the date of reopening. If the Franchise does not re-open within ninety (90) days, then Franchisor may terminate this Agreement effective thirty (30) days after written notice to you.

15.3 Evidence of Insurance. Franchisee shall deliver to, and maintain at all times with Franchisor, current Certificates of Insurance evidencing the existence and continuation of the required coverages. In addition, if requested by Franchisor, Franchisee shall deliver to Franchisor a copy of the insurance policy or policies required hereunder.

15.4 Failure to Procure. If, for any reason, Franchisee should fail to procure or maintain the insurance required by this Agreement as revised from time to time for all franchisees by the Manual or otherwise in writing, Franchisor shall have the right and authority (without, however, any obligation) to immediately procure such insurance and to charge Franchisee for the cost thereof together with an administrative fee of ten percent (10%) for Franchisor's expenses in so acting, including all attorneys' fees. Franchisee shall pay Franchisor immediately upon notice by Franchisor to Franchisee that Franchisor has undertaken such action and the cost thereof.

15.5 Increase in Coverage. The levels and types of insurance stated herein are minimum requirements. Franchisor reserves the right to raise the required minimum requirements for any type of insurance or add additional types of insurance requirements as Franchisor deems reasonably prudent to require. Within thirty (30) days of any such required new limits or types of coverage, Franchisee must submit proof to Franchisor of Franchisee's coverage pursuant to Franchisor's requirements.

15.6 Additional Insured. All required insurance policies shall name Franchisor and their affiliates and their members, officers, agents and employees as additional insureds as their interests may appear, on a primary, noncontributory basis, and shall contain a waiver of rights of subrogation against Franchisor. All public liability policies shall contain a provision that the additional insureds, although named as insureds, shall nevertheless be entitled to recover under such policies on any loss caused by Franchisee or Franchisee's servants, agents or employees.

15.7 Indemnification. TO THE FULLEST EXTENT PERMITTED BY LAW, FRANCHISEE AGREES TO EXONERATE AND INDEMNIFY AND HOLD HARMLESS GOMO TIRES, LLC, AND ANY OF THEIR PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES AS WELL AS THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES, AND REPRESENTATIVES (COLLECTIVELY REFERRED TO AS “GOMO TIRES INDEMNITEES”), FROM ALL CLAIMS BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATED TO THE OPERATION, CONDITION, OR ANY PART OF FRANCHISEE’S GOMO TIRES FRANCHISE; THE SERVICES OR PRODUCTS OFFERED THEREBY; AND THE FRANCHISED BUSINESS OFFICE AND STORAGE SITE LOCATIONS, WHETHER CAUSED BY FRANCHISEE, FRANCHISEE’S AGENTS, OR EMPLOYEES, OR ARISING FROM FRANCHISEE’S ADVERTISING OR BUSINESS PRACTICES. FRANCHISEE AGREES TO PAY FOR ALL OF GOMO TIRES INDEMNITEES’ LOSSES, EXPENSES (INCLUDING, BUT NOT LIMITED TO ATTORNEYS’ FEES), OR CONCURRENT OR CONTRIBUTING LIABILITY INCURRED IN CONNECTION WITH ANY ACTION, SUIT, PROCEEDING, INQUIRY (REGARDLESS OF WHETHER THE SAME IS REDUCED TO JUDGMENT OR DETERMINATION), OR ANY SETTLEMENT THEREOF FOR THE INDEMNIFICATION GRANTED BY FRANCHISEE HEREUNDER. GOMO TIRES INDEMNITEES SHALL HAVE THE RIGHT TO SELECT AND APPOINT INDEPENDENT COUNSEL TO REPRESENT ANY OF GOMO TIRES INDEMNITEES IN ANY ACTION OR PROCEEDING COVERED BY THIS INDEMNITY. FRANCHISEE AGREES THAT TO HOLD GOMO TIRES INDEMNITEES HARMLESS, FRANCHISEE WILL REIMBURSE GOMO TIRES INDEMNITEES AS THE COSTS AND EXPENSES ARE INCURRED BY GOMO TIRES INDEMNITEES.

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## 16. TRANSFERS.

### 16.1 Transfers by Franchisor.

16.1.1 Franchisor shall have the right to assign this Agreement, and all of Franchisor’s rights and privileges hereunder, to any person, firm, corporation or other entity, without Franchisee’s permission or prior knowledge, provided that, with respect to any assignment resulting in the subsequent performance by the assignee of Franchisor’s obligations, the assignee shall expressly assume and agree to perform Franchisor’s obligations hereunder. Specifically, and without limitation to the foregoing, Franchisee expressly affirms and agrees that Franchisor may: (i) sell Franchisor’s assets and Franchisor’s rights to the Marks and the System outright to a third party; (ii) engage in a public or private placement of some or all of Franchisor’s securities; (iii) merge, acquire other corporations, or be acquired by another corporation, including competitors; (iv) undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring; and (v) with regard to any or all of the above sales, assignments and dispositions, Franchisee expressly and specifically waives any claims, demands or damages arising from or relating to the loss of association with or identification of Franchisor. Nothing contained in this Agreement shall require Franchisor to remain in the business franchised herein or to offer the same products and services, whether or not bearing the Marks, in the event that Franchisor exercises its prerogative hereunder to assign Franchisor’s rights in this Agreement.

16.1.2 Franchisee agrees that Franchisor has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain’s or business’ facilities, and to operate, franchise or license those businesses and/or facilities operating under the Marks or any other marks following Franchisor’s purchase, merger, acquisition or affiliation, regardless of the location of the facilities (which

Franchisee acknowledges may be within the Territory, proximate thereto, or proximate to any of Franchisee's locations). However, Franchisor represents that it will not convert any such acquired facilities that are operating within the Territory to a GoMo Tires franchise during the Term of this Agreement.

16.1.3 If Franchisor assigns its rights in this Agreement, nothing herein shall be deemed to require Franchisor to remain in the mobile vehicle tire or oil change business or to offer or sell any products or services to Franchisee.

16.2 Restrictions on Transfers by Franchisee. Franchisee's rights and duties under this Agreement are personal to Franchisee as it is organized and with the Principal(s) of the business as they exist on the date of execution of this Agreement, and Franchisor has made this Agreement with Franchisee in reliance on Franchisor's perceptions of the individual and collective character, skill, aptitude, attitude, business ability, and financial capacity of Franchisee. Thus, no transfer, as hereafter defined, may be made without Franchisor's prior written approval. Franchisor may void any transfer made without such approval.

16.3 Transfers by Franchisee. Franchisee shall not directly or indirectly sell, assign, transfer, give, devise, convey or encumber this Agreement or any right or interest herein or hereunder (a "Transfer"), the Franchise, the Franchised Business or any assets thereof (except in the ordinary course of business) or suffer or permit any such assignment, transfer, or encumbrance to occur by operation of law unless it first obtains the written consent of Franchisor. A transfer of any stock in the Franchisee if it is a corporation or a transfer of any ownership rights in Franchisee if it is a partnership, a limited liability company or limited partnership shall be considered a Transfer restricted hereunder. If Franchisee has complied fully with this Agreement and subject to Franchisor's Right of First Refusal set forth in Section 16.6, Franchisor will not unreasonably withhold its consent of a Transfer that meets the following requirements:

16.3.1 The proposed transferee and all its principals must have the demeanor, and be individuals of good character and otherwise meet Franchisor's then-applicable standards for franchisees.

16.3.2 The transferee must have sufficient business experience, aptitude and financial resources to operate the Franchised Business and to comply with this Agreement;

16.3.3 The transferee has agreed to complete Franchisor's Initial Training Program to Franchisor's satisfaction;

16.3.4 Franchisee has paid all amounts owed to Franchisor and third-party creditors;

16.3.5 The transferee has executed Franchisor's then-standard form of Franchise Agreement, which may have terms and conditions different from this Agreement, except that the transferee shall not be required to pay the Initial Franchise Fee;

16.3.6 Franchisee and the transferee and each of Franchisee's and the transferee's Principals shall have executed a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's officers, directors, shareholders, members and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances. Franchisee will agree to subordinate any claims Franchisee may have against the transferee to Franchisor, and indemnify Franchisor against any claims by the transferee relating to misrepresentations in the transfer process, specifically excluding those representations made by Franchisor in the Franchise Disclosure Document given to the transferee;

16.3.7 Franchisor has granted written approval of the material terms and conditions of the Transfer, including, without limitation, that the price and terms of payment will not adversely affect the

Franchised Business's operation. However, Franchisor's approval of a Transfer is not in any way a representation or warranty of the transferee's success or the soundness of transferee's decision to purchase the Franchise on such terms and conditions. Franchisee shall provide Franchisor all proposed transfer documents for Franchisor's review at least thirty (30) days prior to a closing of the proposed Transfer;

16.3.8 If Franchisee or any Principal finances any part of the sale price of the Transfer, Franchisee or its Principal have agreed that all obligations of the transferee under any notes, agreements or security interests to Franchisee or its Principal will be subordinate to the transferee's obligations to Franchisor; and

16.3.9 As applicable, and if consent is required, the lessor of the Franchised Business office premises and/or Storage Site consents to the assignment or further sublet of the premises or Storage Site to the transferee.

16.4 Transfer Fee. As a condition to any Transfer, Franchisee shall pay Franchisor a transfer fee equal to fifty percent (50%) of the then-current initial franchise fee; provided however, (i) for transfers to an existing franchisee in good standing with Franchisor, (ii) for transfers of twenty percent (20%) or less of an entity, for purposes of convenience, or of ownership interest among existing shareholders or members, or to add a new shareholder or member of the Franchisee entity, and such transfer does not change management control of the Franchisee entity, the transfer fee is Two Thousand Five Hundred Dollars (\$2,500).

16.5 Entity Formation Documents. The By-Laws of a corporation or Operating Agreement of a limited liability company of a Franchisee that is an entity must state that (i) the issuance and assignment of any interest in Franchisee are restricted by this Article 16; (ii) Franchisee may conduct no business except the operation of a Franchised Business pursuant to the terms of this Agreement; (iii) transfers of interests in Franchisee are subject to the terms of this Agreement governing transfers; and (iv) stock or member certificates will contain a legend so indicating.

#### 16.6 Franchisor 's Right of First Refusal.

16.6.1 If Franchisee wishes to transfer all or part of its interest in the Franchised Business or this Agreement or if a Principal wishes to transfer any ownership interest in Franchisee, pursuant to any bona fide offer to purchase such interest, then Franchisee or such Principal shall promptly notify Franchisor in writing of each such offer, and shall provide such information and documentation relating to the offer as Franchisor may require.

16.6.2 Franchisor has the right, exercisable by written notice to Franchisee within thirty (30) days after receipt of written notification and copies of all documentation required by Franchisor describing such offer, to buy the interest in this Agreement and the Franchised Business or the Principal's interest in Franchisee for the price and on the terms and conditions contained in the offer, subject to Section 16.6.3.

16.6.3 Franchisee further agrees, in the event Franchisor exercises its right of first refusal, notwithstanding anything to the contrary contained in the offer, that (i) Franchisor may substitute cash for any other form of consideration contained in the offer; (ii) at Franchisor 's option, Franchisor may pay the entire purchase price at closing; (iii) Franchisor 's credit will be deemed equal to the credit of any proposed transferee; (iv) Franchisor will have at least sixty (60) days to close the purchase; and (v) Franchisor will be entitled to receive from the Franchisee all customary representations and warranties given by a seller of the assets of a business or equity interest in an entity, as applicable.

16.6.4 If Franchisor does not exercise its right to buy within thirty (30) days, Franchisee may thereafter transfer the interest to the transferee on terms no more favorable than those disclosed to Franchisor, provided that such transfer is subject to Franchisor's prior written approval pursuant to Section 16.3 hereof. However, if (i) the sale to the transferee is not completed within one hundred twenty (120) days after the offer is given to Franchisor or (ii) there is any material change in the terms of the offer, the offer will again be subject to Franchisor's right of first refusal.

16.7 Death or Permanent Disability. The grant of rights under this Agreement is personal to Franchisee, and on the death or permanent disability of Franchisee or any of Franchisee's Principals, the executor, administrator, conservator, or other personal representative of Franchisee or Principal, as the case may be, shall be required to transfer Franchisee's or Principal's interest in this Agreement within six (6) months from the date of death or permanent disability, to a third party approved by Franchisor. Failure to transfer in accordance with the forgoing will constitute a material default and the Franchise granted by this Agreement will terminate. A transfer under this Section 16.7, including without limitation, transfer by devise or inheritance, is subject to the conditions for Transfers in this Article 16 and unless transferred by gift, devise or inheritance, subject to the terms of Section 16.6 above. For purposes of this Agreement, the term "permanent disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent such person from providing continuous and material supervision of the operation of Franchisee's Franchised Business during the six (6)-month period from its onset.

Immediately after the death or permanent disability of such person, or while the Franchise is owned by an executor, administrator, guardian, personal representative or trustee of that person, the Franchised Business shall be supervised by an interim successor manager satisfactory to Franchisor, or Franchisor, in its sole discretion, may provide interim management at Franchisor's then-current rates during the term of interim management, plus all travel related and other expenses, pending transfer of the Franchise to the deceased or disabled individual's lawful heirs or successors.

16.8 Effect of Consent to Transfer. Franchisor's consent to a Transfer will not waive any claims Franchisor may have against the Franchisee or any Franchisee's Principals nor waive its right to demand that the transferee comply strictly with this Agreement.

16.9 Security Interests to Lender. If Franchisee is in full compliance with this Agreement, Franchisee may pledge or give a security interest in Franchisee's interest in the Assets and the Franchised Business to a lender of the funds needed by Franchisee for Franchisee's initial investment, provided that the security interest is subordinate to Franchisee's obligations to Franchisor, that a foreclosure on such a pledge or security interest and/or any Transfer resulting from such a foreclosure shall be subject to all provisions of this Agreement, and that Franchisee obtains from the lender a written acknowledgement to Franchisor of these restrictions. Notwithstanding the foregoing, in the event Franchisee obtains financing whereby funding is provided with the assistance of the United States Small Business Administration ("SBA Financing"), Franchisee shall be permitted to grant the lender of such SBA Financing a senior lien on any collateral Franchisee uses to secure the SBA Financing, and Franchisor agrees to (i) subordinate its interest in any lien on Franchisee's collateral to that of the lender of the SBA Financing, and (ii) waive the requirement of the written acknowledgement referenced in this Section.

## 17. DEFAULTS.

17.1 Default and Automatic Termination. Franchisee shall be deemed to be in material default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if Franchisee shall become insolvent or makes a general assignment for the benefit of creditors; or if Franchisee files a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof, or admits in writing its inability to pay its debts

when due; or if Franchisee is adjudicated a bankrupt or insolvent in proceedings filed against Franchisee under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state; or if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; or if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if Franchisee is dissolved; or if execution is levied against Franchisee's business or property; or if suit to foreclose any lien or mortgage against the Franchised Business premises or equipment is instituted against Franchisee and not dismissed within thirty (30) days.

17.2 Defaults With No Opportunity to Cure. Franchisee shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon notice to Franchisee, if Franchisee, or any Principal, as the case may be:

17.2.1 fails to obtain all required licenses and permits before opening or open the Franchised Business within the time and in the manner specified in Article 8.

17.2.2 falsifies any report required to be furnished Franchisor hereunder;

17.2.3 ceases to operate the Franchised Business for a period of three (3) days or more;

17.2.4 fails to comply with any federal, state or local law, rule or regulation, applicable to the operation of the Franchised Business, including, but not limited to, the failure to pay taxes;

17.2.5 understates Gross Revenue on two (2) occasions or more, whether or not cured on any or all of those occasions;

17.2.6 fails to comply with the covenants in Article 15;

17.2.7 permits a Transfer in violation of the provisions of Article 16 of this Agreement;

17.2.8 fails, or Franchisee's legal representative fails, to transfer the interests in this Franchise Agreement and the Franchised Business upon death or permanent disability of Franchisee or any Principal of Franchisee as required by Section 16.7.

17.2.9 has misrepresented or omitted material facts in applying for the Franchise;

17.2.10 is convicted of, or pleads no contest to, a felony or to a crime that could damage the goodwill associated with the Marks or does anything to harm the reputation of the System or the goodwill associated with the Marks;

17.2.11 receives an adverse judgment or a consent decree in any case or proceeding involving allegations of fraud, racketeering, unfair or improper trade practices or similar claim which is likely to have an adverse effect on the System, or the Marks, the goodwill associated therewith or Franchisor's interest therein, in Franchisor's sole opinion;

17.2.12 conceals revenues, knowingly maintains false books or records, or knowingly submits any false reports;

17.2.13 creates a threat or danger to public health or safety from operation of the Franchised Business;

17.2.14 refuses to permit Franchisor to inspect or audit Franchisee's books or records;

17.2.15 makes any unauthorized use of the Marks or copyrighted material or any unauthorized use or disclosure of Confidential Information (as defined in Section 19.2);

17.2.16 fails to comply with the non-competition covenants in Section 19.5;

17.2.17 defaults in the performance of Franchisee's obligations under this Agreement three (3) or more times during the term of this Agreement or has been given at least two (2) notices of default in any consecutive twelve (12)-month period, whether or not the defaults have been corrected;

17.2.18 has insufficient funds to honor a check or electronic funds transfer two (2) or more times within any consecutive twelve (12)-month period;

17.2.19 defaults, or an affiliate of Franchisee defaults, under any other agreement, including any other franchise agreement, with Franchisor or any of its affiliates, or suppliers and does not cure such default within the time period provided in such other agreement;

17.2.20 offers any unauthorized and unapproved products or services at or from the Franchise Business;

17.2.21 fails to meet Minimum Performance Standards; or

17.2.22 terminates this Agreement without cause.

17.3 Curable Defaults. Franchisee shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, if Franchisee fails to cure the default within the time period set forth in this Section 17.3, effective immediately upon notice to Franchisee, if Franchisee, or any Principal, as the case may be:

17.3.1 fails to pay when due any amounts due to Franchisor under this Agreement or any related agreement and does not correct the failure within five (5) days after written notice; provided, however, Franchisor has no obligation to give written notice of a late payment more than two (2) times in any twelve (12)-month period, and the third such late payment in any twelve (12)-month period shall be a non-curable default under Sections 17.2.17 and/or 17.2.18;

17.3.2 fails to perform any non-monetary obligation imposed by this Agreement (excepting those defaults of obligations set forth in Sections 17.1 and 17.2 for which there is no opportunity to cure) and such default shall continue for five (5) days after Franchisor has given written notice of such default, or if the default cannot be reasonably corrected within said five (5)-day period, then if it is not corrected within such additional time as may be reasonably required assuming Franchisee proceeds diligently to cure; provided, however, Franchisor has no obligation to give written notice of a non-monetary default more than two (2) times in any twelve (12)-month period, and the third such default, whether monetary or non-monetary, in any twelve (12) - month period shall be a non-curable default under Section 17.2.17.

17.4 Franchisor's Cure of Franchisee's Defaults. In the event of a default by Franchisee, in addition to Franchisor's right to terminate the Franchise Agreement, and not in lieu thereof, Franchisor may, but has no obligation to:

17.4.1 effect a cure on Franchisee's behalf and at Franchisee's expense, and Franchisee shall immediately pay Franchisor the costs incurred by Franchisor upon demand; or

17.4.2 exercise complete authority with respect to the operation of the Franchised Business until such time as Franchisor determines that the default of Franchisee has been cured and that Franchisee is complying with the requirements of this Agreement. Franchisee specifically agrees that a designated representative of Franchisor may take over, control and operate the Franchised Business. In addition to all other fees paid under this Agreement, Franchisee shall pay Franchisor at Franchisor's then-current rates for interim management, plus all travel related and other expenses, during Franchisor's operation thereof as compensation therefor. Further, Franchisee shall reimburse Franchisor for the full compensation paid to such representative including the cost of all fringe benefits plus all travel expenses, lodging, meals and other expenses reasonably incurred by such representative until the default has been cured and Franchisee is complying with the terms of this Agreement.

17.5 Notice to Suppliers. In the event of a default by Franchisee, in addition to Franchisor's right to terminate the Franchise Agreement, and not in lieu thereof, Franchisor reserves the right with five (5) days' prior written notice to Franchisee to direct suppliers to stop furnishing any and all products and supplies until such time as Franchisee's default is cured. In no event shall Franchisee have recourse against Franchisor for loss of revenue, customer goodwill, profits or other business arising from Franchisor's actions and the actions of suppliers.

## **18. POST-TERMINATION.**

18.1 Franchisee's Obligations. Upon termination or expiration of this Agreement, all rights and licenses granted hereunder to Franchisee shall immediately terminate and Franchisee and each Principal, if any, shall:

18.1.1 immediately cease to operate the Franchised Business, and shall not thereafter, directly or indirectly identify himself, herself or itself as a current or past GoMo Tires owner, franchisee or licensee;

18.1.2 immediately and permanently cease to use the Marks, any imitation of any Mark, Franchisor's copyrighted material or other intellectual property, confidential or proprietary material or indicia of the Franchised Business, or use any trade name, trade or service mark or other commercial symbol that suggests an association with Franchisor, Licensor, or the System. In particular, Franchisee shall cease to use, without limitation, all signs, billboards, advertising materials, displays, stationery, forms and any other articles, which display the Marks. Immediately return to the Franchisor any business cards, marketing materials, or any other items containing Marks;

18.1.3 take such action as may be necessary to cancel any assumed name or equivalent registration that contains the Mark or any other service mark or trademark of Franchisor, and Franchisee shall furnish Franchisor with evidence of compliance with this obligation which is satisfactory to Franchisor, within five (5) days after termination or expiration of this Agreement;

18.1.4 promptly pay all sums owing to Franchisor and its affiliates. Such sums shall include all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of any default by Franchisee. The payment obligation herein shall give rise to and remain, until paid in full, a

lien in favor of Franchisor against any and all of the personal property, equipment, fixtures, and inventory owned by Franchisee at the time of default;

18.1.5 pay to Franchisor all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor in connection with obtaining any remedy available to Franchisor for any violation of this Agreement and, subsequent to the termination or expiration of this Agreement, in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement that survive its termination;

18.1.6 immediately deliver at Franchisee's sole cost and expense, to Franchisor the Manual and all records, files, instructions, correspondence, invoices, agreements, social media account passwords, all confidential, proprietary and copyrighted material and software, and all other materials related to operation of the Franchised Business, including but not limited to customer lists and records, (all of which are acknowledged to be Franchisor's property), delete all electronic copies and retain no copy or record of any of the foregoing, except Franchisee's copy of this Agreement and of any correspondence between the parties and any other documents that Franchisee reasonably needs for compliance with any provision of law;

18.1.7 comply with the non-disclosure and non-competition covenants contained in Article 19; and

18.1.8 in the event this Agreement is terminated due to Franchisee's default, pay Franchisor a lump sum payment (as liquidated damages and not as a penalty) in an amount equal to: (a) the average monthly Royalty Fee and Brand Fund Contribution payable by Franchisee over the twelve (12) month period immediately prior to the date of termination (or such shorter time period if the Franchised Business has been open less than twelve (12) months); (b) multiplied by the lesser of (i) thirty-six (36) months or (ii) the number of months then remaining in the then-current term of this Agreement. Franchisee acknowledges that a precise calculation of the full extent of the damages Franchisor will incur in the event of termination of this Agreement as a result of Franchisee's default is difficult to determine and that this lump sum payment is reasonable in light thereof. The liquidated damages payable by Franchisee pursuant to this Section 18.1.8 shall be in addition to all other amounts payable under this Agreement and shall not affect Franchisor's right to obtain appropriate injunctive relief and remedies pursuant to any other provision of this Agreement.

## 18.2 Right to Purchase.

18.2.1 Franchisor shall have the option, to be exercised within sixty (60) days after termination or expiration of this Agreement, to purchase from Franchisee any or all of the furnishings, equipment (including the Computer System), signs, fixtures, advertising materials, supplies, and inventory of Franchisee related to the operation of the Franchised Business, at Franchisee's cost or fair market value, whichever is less, and assume any and all contracts related to the operation of the Franchised Business. Franchisor shall purchase Franchisee's assets free and clear of any liens, charges, encumbrances or security interests and Franchisor shall assume no liabilities whatsoever, unless otherwise agreed to in writing by the parties. If the parties cannot agree on the fair market value within sixty (60) days of Franchisor's exercise of its option, fair market value shall be determined by two (2) appraisers, with each party selecting one (1) appraiser, and the average of their determinations shall be binding. In the event of such appraisal, each party shall bear its own legal and other costs and shall split the appraisal fees equally. If Franchisor elects to exercise its option to purchase herein provided, it shall have the right to set off (i) all fees for any such independent appraiser due from Franchisee, (ii) all amounts due from Franchisee to Franchisor or any of its affiliates and (iii) any costs incurred in connection with any escrow arrangement (including reasonable legal fees), against any payment therefor and shall pay the remaining amount in cash. Closing of the purchase shall take place no later than thirty (30) days after determination of the fair market value.

18.2.2 With respect to the option described in Section 18.2.1, Franchisee shall deliver to Franchisor in a form satisfactory to Franchisor, such warranties, releases of lien, bills of sale, assignments and such other documents and instruments that Franchisor deems necessary in order to perfect Franchisor's title and possession in and to the assets being purchased or assigned and to meet the requirements of all tax and government authorities. If, at the time of closing, Franchisee has not obtained all of these certificates and other documents, Franchisor may, in its sole discretion, place the purchase price in escrow pending issuance of any required certificates or documents.

18.2.3 Franchisor shall be entitled to assign any and all of its option in Section 18.2.1 to any other party, without the consent of Franchisee.

18.3 Assignment of Communications. Franchisee, at the option of Franchisor, shall assign to Franchisor all rights to the telephone numbers of the Franchised Business and any related public directory listing or other business listings and execute all forms and documents required by Franchisor and any telephone company at any time, to transfer such service and numbers to Franchisor. Further, Franchisee shall assign to Franchisor any and all social media and internet listings, domain names, internet advertising, websites, listings with search engines, electronic mail addresses or any other similar listing or usage related to the Franchised Business. Notwithstanding any forms and documents that may have been executed by Franchisee under Section 11.7, Franchisee shall provide Franchisor with all passwords and administrative rights, and hereby appoints Franchisor its true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as is necessary to complete such assignment. This power of attorney shall survive the expiration or termination of this Agreement. Franchisee shall thereafter use different telephone numbers, electronic mail addresses or other listings or usages at or in connection with any subsequent business conducted by Franchisee.

18.4 Survival. The rights and obligations of the parties contained in this Article 18 shall survive the expiration or sooner termination of this Agreement.

## **19. NON-DISCLOSURE AND NON-COMPETITION COVENANTS.**

### **19.1 Operations Manual.**

19.1.1 Franchisor has provided Franchisee, a current copy of the Manual. The Manual will be made available to Franchisee in digital, electronic or computerized form or in some other form now existing or hereafter developed that would allow Franchisee to view the contents thereof. If the Manual (or any changes thereto) are provided in a form other than physical copy, Franchisee shall pay any and all costs to retrieve, review, use or access the Manual. To protect the reputation and goodwill of Franchisor and to maintain high standards of operation under Franchisor's Marks, Franchisee shall operate all aspects of the Franchised Business in accordance with the Manual, as they may from time to time be modified by Franchisor, other written directives that Franchisor may issue to Franchisee from time to time, whether or not such directives are included in the Manual, and any other manual and materials created or approved for use in the operation of the Franchised Business.

19.1.2 Franchisee and any and all Principals shall at all times treat the Manual, written directives, and other materials and any other confidential communications or materials, and the information contained therein, as confidential and shall maintain such information as trade secret and confidential in accordance with this Article and this Agreement. Franchisee and Franchisee's Principals, if any, shall not divulge and make such materials available to anyone other than those of Franchisee's employees who require the information contained therein to operate the Franchised Business. Franchisee shall, prior to disclosure, fully train and inform its employees on all the restrictions, terms and conditions under which it is permitted to use Franchisor's intellectual, proprietary and confidential information; and shall ensure its

employees' compliance with such restrictions, terms and conditions. Franchisee, Franchisee's Principals, and any person working with Franchisee shall agree not, at any time to use, copy, duplicate, record or otherwise reproduce these materials, in whole or in part, or otherwise make the same available to any person other than those authorized above, without Franchisor's prior written consent.

19.1.3 The Manual, written directives, and other materials and any other confidential communications provided or approved by Franchisor shall at all times remain the sole property of Franchisor. Franchisee shall maintain the Manual and all Franchisor's confidential and proprietary materials at all times in a safe and secure location, shall take all reasonable measures to prevent unauthorized access thereto, whether any attempted unauthorized access takes the form of physical access or access via computer or telecommunications networks or otherwise, and shall report the theft or loss of the Manual, or any portion thereof, immediately to Franchisor. At a minimum, Franchisee shall, in the case of computer and telecommunications networks, use the latest available firewall, encryption and similar technology to prevent unauthorized access. Franchisee shall delete all electronic copies, and return and cease using any physical copy of the Manual and other confidential and proprietary materials to Franchisor immediately upon request or upon transfer, termination or expiration of this Agreement.

19.1.4 Franchisor may from time to time revise the contents of the Manual and other materials created or approved for use in the operation of the Franchised Business. Franchisee expressly agrees to comply with each new or changed policy, standard or directive. In the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by Franchisor shall control.

19.2 Confidential Information. Franchisee along with its Principals acknowledge and accept that during the term of this Agreement Franchisee and any Principal will have access to Franchisor's trade secrets, including, but not limited to, formulas, techniques, methods, processes, customer lists, vendor partnerships and/or relationships, sales and technical information, financial information, costs, pricing, software tools and applications, website and/or email design, products, services, equipment, technologies and procedures relating to the operation of the Franchised Business; the Manual; methods of advertising and promotion; instructional materials; any other information which Franchisor may or may not specifically designate as "confidential" or "proprietary"; and the components of the System, whether or not such information is protected or protectable by patent, copyright, trade secret or other proprietary rights (collectively referred to herein as the "Confidential Information"). Neither Franchisee nor any Principal shall, during the term of this Agreement and thereafter, communicate or divulge to, or use for the benefit of, any other person or entity, and, following the expiration or termination of this Agreement, shall not use for their own benefit, any Confidential Information that may be communicated to Franchisee or any Principal or of which Franchisee or any Principal may be apprised in connection with the operation of the Franchised Business under the terms of this Agreement. Franchisee and any Principal shall not divulge and make any Confidential Information available to anyone other than those of Franchisee's employees who require the Confidential Information to operate the Franchised Business and who have themselves entered into confidentiality and non-compete agreements containing the same provisions as contained in this Agreement, in accordance with Section 19.10 hereof. Franchisee and any Principal shall not at any time copy, duplicate, record or otherwise reproduce any Confidential Information, in whole or in part, or otherwise make the same available to any person other than those authorized above, without Franchisor's prior written consent. The covenant in this Section 19.2 shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon Franchisee and each Principal.

19.3 Protection of Information. Franchisee shall take all steps necessary, at Franchisee's own expense, to protect the Confidential Information and shall immediately notify Franchisor if Franchisee finds that any Confidential Information has been divulged in violation of this Agreement.

19.4 New Concepts. If Franchisee or any Principal develops new concept, process, product, service, or improvement in the operation or promotion of the Franchised Business (“Improvements”), Franchisee is required to promptly notify Franchisor and provide Franchisor with all related information, processes, products, services or other improvements, and sign any and all forms, documents and/or papers necessary for Franchisor to obtain full proprietary rights to such Improvements, without compensation and without any claim of ownership or proprietary rights to such Improvements. Franchisee and any Principal acknowledge that any such Improvements will become the property of Franchisor, and Franchisor may use or disclose such information to other franchisees as it determines to be appropriate.

19.5 Non-Competition Covenants. Franchisee and each Principal, if any, specifically acknowledge that, pursuant to this Agreement, Franchisee and each Principal, if any, will receive valuable training, trade secrets and Confidential Information of the System that are beyond the present knowledge, training and experience of Franchisee, each Principal and Franchisee’s managers and employees. Franchisee and each Principal, if any, acknowledge that such specialized training, trade secrets and Confidential Information provide a competitive advantage and will be valuable to them in the development and operation of the Franchised Business, and that gaining access to such specialized training, trade secrets and Confidential Information is, therefore, a primary reason why Franchisee and each Principal, if any, are entering into this Agreement. In consideration for such specialized training, trade secrets, Confidential Information and rights, Franchisee and each Principal, if any, covenant that, except as otherwise approved in writing by Franchisor:

19.5.1 During the term of this Agreement, Franchisee and each Principal, if any, shall not, either directly or indirectly, for themselves or through, on behalf of, or in conjunction with, any person or entity (i) divert, or attempt to divert, any business or customer of the Franchised Business or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise; (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any mobile vehicle tire or oil change business similar to the System; or (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any GoMo Tires franchisees or Franchisor-affiliated outlets.

19.5.2 Upon the expiration or earlier termination of this Agreement or upon a Transfer and continuing for twenty-four (24) months thereafter, Franchisee and Principals, if any, shall not, either directly or indirectly, for themselves or through, on behalf of or in conjunction with any person or entity (i) divert, or attempt to divert, any business or customer of the Franchised Business or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise; or (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any mobile vehicle tire or oil change business within twenty-five (25) miles of the Territory or any GoMo Tires franchised or corporate outlet; or (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System; or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any GoMo Tires franchisees.

19.6 Reasonableness of Restrictions. Franchisee and each Principal, if any, acknowledges and agrees that the covenants not to compete set forth in this Agreement are fair and reasonable and will not impose any undue hardship on Franchisee or Principals, if any, since Franchisee or Principals, as the case may be, have other considerable skills, experience and education which afford Franchisee or Principals, as the case may be, the opportunity to derive income from other endeavors.

19.7 Reduction of Time or Scope. If the period of time or the geographic scope specified above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number

of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Paragraph 19 or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees to forthwith comply with any covenant as so modified.

19.8 Injunctive Relief. Franchisee and each Principal, if any, acknowledges that a violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor for which no adequate remedy at law will be available. Accordingly, Franchisee and each Principal, if any, hereby consents to the entry of an injunction prohibiting any conduct by Franchisee or any Principal in violation of the terms of the covenants not to compete set forth in this Agreement.

19.9 No Defense. Franchisee and each Principal, if any, expressly agree that the existence of any claims they may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section.

19.10 Covenants of Employees, Agents and Third Persons. Franchisee shall require and obtain execution of covenants similar to those set forth in this Section (including covenants applicable upon the termination of a person's employment with Franchisee) from all employees, contractors or third persons who will have access to Franchisor's confidential and proprietary information. Such covenants shall be substantially in the form set forth in Attachment 10 as revised and updated from time to time and contained in the Manual.

## **20. DISPUTE RESOLUTION.**

20.1 Internal Dispute Resolution. Franchisee shall first bring any claim, controversy or dispute arising out of or relating to this Agreement, the Attachments hereto or the relationship created by this Agreement to Franchisor's president and/or chief executive officer for resolution. After providing notice as set forth in Section 21.7 below. Franchisee must exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

20.2 Mediation. At Franchisor's option, any claim, controversy or dispute that is not resolved pursuant to Section 20.1 hereof shall be submitted to non-binding mediation. Franchisee shall provide Franchisor with written notice of Franchisee's intent to pursue any unresolved claim, controversy or dispute, specifying in sufficient detail the nature thereof, prior to commencing any legal action. Franchisor shall have thirty (30) days following receipt of Franchisee's notice to exercise Franchisor's option to submit such claim, controversy or dispute to mediation. Mediation shall be conducted through a mediator or mediators in accordance with the American Arbitration Association Commercial Mediation Rules. Such mediation shall take place in the then-current location of Franchisor's corporate headquarters. The costs and expenses of mediation, including compensation and expenses of the mediator (and except for the attorneys' fees incurred by either party), shall be borne by the parties equally. Franchisor may specifically enforce Franchisor's rights to mediation, as set forth herein.

### **20.3 Arbitration.**

20.3.1 Except disputes not subject to alternative dispute resolution as set forth in Section 20.4, any dispute between Franchisor and Franchisee and/or any Principal arising out of or relating to this Agreement, the Attachments hereto or any breach thereof, including any claim that this Agreement or any of its parts, is invalid, illegal or otherwise voidable or void, which has not been resolved in accordance with

Sections 20.1 or 20.2, will be resolved by submission to the American Arbitration Association or its successor organization to be settled by a single arbitrator in accordance with the Commercial Arbitration Rules then in effect for such Association or successor organization.

20.3.2 All issues relating to arbitrability or the enforcement of the agreement to arbitrate contained in this Article 20 will be governed by the Federal Arbitration Act (9 U.S.C. §1 *et seq.*) and the federal common law of arbitration. All hearings and other proceedings will take place in Washington County, Oregon, or the offices of the American Arbitration Association closest thereto, or, if Franchisor so elects, in the county where the principal place of business of Franchisee is then located.

20.3.3 This arbitration provision is self-executing and will remain in full force and effect after expiration or termination of this Agreement. Any arbitration will be conducted on an individual, and not a class-wide or multiple plaintiffs, basis. If either party fails to appear at any properly noticed arbitration proceeding, an award may be entered against the party by default or otherwise, notwithstanding the failure to appear. Judgment upon an arbitration award may be entered in any court having jurisdiction and will be binding, final and not subject to appeal. No punitive or exemplary damages will be awarded against Franchisor, Franchisee, or entities related to either of them, in an arbitration proceeding or otherwise, and are hereby waived.

20.3.4 The provisions of this Section 20.3 are independent of any other covenant or provision of this Agreement; provided, however, that if a court of competent jurisdiction determines that any of the provisions are unlawful in any way, the court will modify or interpret the provisions to the minimum extent necessary to have them comply with the law.

20.3.5 In proceeding with arbitration and in making determinations hereunder, no arbitrator shall extend, modify or suspend any terms of this Agreement or the reasonable standards of business performance and operation established by Franchisor in good faith. No notice, request or demand for arbitration shall stay, postpone or rescind the effectiveness of any termination of this Agreement.

20.3.6 Except as expressly required by law, Franchisor, Franchisee and any Principal shall keep all aspects of any mediation and/or arbitration proceeding in confidence, and shall not disclose any information about the proceeding to any third party other than legal counsel who shall be required to maintain the confidentiality of such information.

20.4 Exceptions. Notwithstanding the requirements of Sections 20.2 or 20.3, the following claims shall not be subject to mediation or arbitration:

20.4.1 Franchisor's claims for injunctive or other extraordinary relief;

20.4.2 disputes and controversies arising from the Sherman Act, the Clayton Act or any other federal or state antitrust law;

20.4.3 disputes and controversies based upon or arising under the Lanham Act, as now or hereafter amended, relating to the ownership or validity of the Marks; and

20.4.4 enforcement of Franchisee's post-termination obligations, including but not limited to, Franchisee's non-competition covenants.

20.5 Governing Law and Venue. This Agreement is made in, and shall be substantially performed in, the State of Oregon. Any claims, controversies, disputes, or actions arising out of this Agreement shall be governed, enforced, and interpreted pursuant to the laws of the State of Oregon. Franchisee and its Principals,

except where specifically prohibited by law, hereby irrevocably submit themselves to the sole and exclusive jurisdiction of the state and federal courts in Oregon. Franchisee and its Principals hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision.

20.6 Mutual Benefit. Franchisee, each Principal, if any, and Franchisor acknowledge that the parties' agreement regarding applicable state law and forum set forth in Section 20.5 provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising hereunder. Each of Franchisee, Principals, if any, and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.

20.7 Waiver of Certain Damages. Franchisee and each Principal, if any, hereby waive, to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against Franchisor, its affiliates, and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever. Each of Franchisee and Principals, if any, agree that in the event of a dispute, Franchisee and each Principal shall be limited to the recovery of any actual damages sustained.

20.8 Limitations of Claims. Any and all claims asserted by Franchisee arising out of or relating to this Agreement or the relationship among the parties will be barred unless a proceeding for relief is commenced within one (1) year from the date on which Franchisee knew or should have known of the facts giving rise to such claims.

20.9 Survival. The provisions of this Article 20 shall continue in full force and effect notwithstanding the expiration or termination of this Agreement or a transfer by Franchisee or any Principal of their respective interests in this Agreement.

## **21. GENERAL.**

### **21.1 Relationship of the Parties.**

21.1.1 Independent Licensee. Franchisee is and shall be an independent licensee under this Agreement, and no partnership shall exist between Franchisee and Franchisor. This Agreement does not constitute Franchisee as an agent, legal representative, or employee of Franchisor for any purpose whatsoever, and Franchisee is not granted any right or authority to assume or create any obligation for or on behalf of, or in the name of, or in any way to bind Franchisor. Franchisee agrees not to incur or contract any debt or obligation on behalf of Franchisor or commit any act, make any representation, or advertise in any manner which may adversely affect any right of Franchisor or be detrimental to Franchisor or other franchisees of Franchisor. Franchisor does not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by you which are not expressly authorized under this Agreement. Franchisor will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to your operation of the Franchised Business. Pursuant to the above, Franchisee agrees to indemnify Franchisor and hold Franchisor harmless from any and all liability, loss, attorneys' fees, or damage Franchisor may suffer as a result of claims, demands, taxes, costs, or judgments against Franchisor arising out of any allegation of an agent, partner, or employment relationship.

21.1.2 No Relationship. Franchisee acknowledges and agrees that Franchisee alone exercises day-to-day control over all operations, activities, and elements of the Franchised Business, and that under no circumstance shall Franchisor do so or be deemed to do so. Franchisee further acknowledges and

agrees, and will never claim otherwise, that the various restrictions, prohibitions, specifications, and procedures of the System which Franchisee is required to comply with under this Agreement, whether set forth in Franchisor's Operations Manual or otherwise, does not directly or indirectly constitute, suggest, infer or imply that Franchisor controls any aspect or element of the day-to-day operations of the Franchised Business, which Franchisee alone controls, but only constitute standards Franchisee must adhere to when exercising control of the day-to-day operations of the Franchised Business.

21.1.3 Franchisee's Employees. Franchisee acknowledges and agrees that any training Franchisor provides for Franchisee's employees is geared to impart to those employees, with Franchisee's ultimate authority, the various procedures, protocols, systems, and operations of a GoMo Tires outlet and in no fashion reflects any employment relationship between Franchisor and such employees. If ever it is asserted that Franchisor is the employer, joint employer or co-employer of any of Franchisee's employees in any private or government investigation, action, proceeding, arbitration or other setting, Franchisee irrevocably agrees to assist Franchisor in defending said allegation, appearing at any venue requested by Franchisor to testify on Franchisor's behalf, participate in depositions, other appearances or preparing affidavits rejecting any assertion that Franchisor is the employer, joint employer or co-employer of any of Franchisee's employees.

21.2 Successors. This Agreement shall bind and inure to the benefit of the successors and assigns of Franchisor and shall be personally binding on and inure to the benefit of Franchisee (including the individuals executing this Agreement on behalf of the Franchisee entity) and its or their respective heirs, executors, administrators and successors or assigns; provided, however, the foregoing provision shall not be construed to allow a transfer of any interest of Franchisee or Principals, if any, in this Agreement or the Franchised Business, except in accordance with Article 16 hereof.

21.3 Invalidity of Part of Agreement. Should any provisions in this Agreement, for any reason, be declared invalid, then such provision shall be invalid only to the extent of the prohibition without in any way invalidating or altering any other provision of this Agreement.

21.4 Entire Agreement. This Agreement, including all Attachments, is the entire agreement of the parties, superseding all prior written or oral agreements of the parties concerning the same subject matter, and superseding all prior written or oral representations made to Franchisee, except that nothing herein is intended to disclaim any representations made to Franchisee in Franchisor's Franchise Disclosure Document. No agreement of any kind relating to the matters covered by this Agreement and no amendment of the provisions hereof shall be binding upon either party unless and until the same has been made in writing and executed by all interested parties.

21.5 Construction. All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed, and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Agreement or any provision herein may require, as if such words had been fully and properly written in the appropriate number and gender. All covenants, agreements and obligations assumed herein by Franchisee and any Principals shall be deemed to be joint and several covenants, agreements, and obligations of each of the persons named as Franchisee, if more than one person is so named.

21.6 Captions. Captions and section headings are used herein for convenience only. They are not part of this Agreement and shall not be used in construing it.

21.7 Notices. Whenever notice is required or permitted to be given under the terms of this Agreement, it shall be given in writing, and be delivered personally or by certified mail or courier, postage prepaid, addressed to the party for whom intended, and shall be deemed given on the date of delivery or delivery is refused. All such notices shall be addressed to the party to be notified at their respective addresses

as set forth in the introductory paragraph of this Agreement, or at such other address or addresses as the parties may from time to time designate in writing.

21.8 Effect of Waivers. No waiver, delay, omission or forbearance on the part of Franchisor to exercise any right, option, duty or power arising from any default or breach by Franchisee shall affect or impair the rights of Franchisor with respect to any subsequent default of the same or of a different kind. Any use by Franchisee of the System or any part thereof at any place other than in the Territory shall not give Franchisee any rights not specifically granted hereunder. Failure to take action to stop such use shall not in any event be considered a waiver of the rights of Franchisor at any time to require Franchisee to restrict said use to the Territory.

21.9 Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies that are provided for herein or that may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between Franchisee or any of its affiliates and Franchisor or any of its affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of Franchisor's rights pursuant to Articles 17 and 18 shall not discharge or release Franchisee or any Principal from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement.

21.10 Consent to Do Business Electronically. The parties to the Franchise Agreement hereby consent to do business electronically. Pursuant to the Uniform Electronic Transactions Act as adopted by the State of Oregon, the parties hereby affirm to each other that they agree with the terms of the Franchise Agreement, and by attaching their digital signature, including any DocuSign signature, to the Franchise Agreement, they are executing the document and intending to attach their digital signature to it. Furthermore, the parties acknowledge that the other parties to the Franchise Agreement can rely on a digital signature, including a DocuSign signature, as the respective party's signature.

21.11 Counterparts. This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

21.12 Survival. Any obligation of Franchisee or any Principal that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest of Franchisee or any Principal therein shall be deemed to survive such termination, expiration or transfer.

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

FRANCHISEE:

\_\_\_\_\_

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

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

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

PRINCIPALS:

\_\_\_\_\_

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

\_\_\_\_\_

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

FRANCHISOR:

GOMO TIRES, LLC

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

Name: Derek Naidoo

Title: Managing Member

**ATTACHMENT 1**

**TRADEMARKS**

Service Marks –

“GoMobile Tires”

**ATTACHMENT 2**

**TERRITORY DESCRIPTION AND  
FRANCHISED BUSINESS ADDRESS**

Territory (insert map and/or define by zip codes):

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Franchised Business Address:

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**ATTACHMENT 3**

**AUTHORIZATION AGREEMENT  
AUTOMATIC DEPOSITS (ACH WITHDRAWALS)**

Franchisor Name: **GoMo Tires, LLC**

I (We) hereby authorize GoMo Tires, LLC hereinafter called Franchisor, to initiate debit entries to my (our) Checking Account/Savings Account (Select One) indicated below at the depository financial institution named below, and to debit the same to such account. I (We) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. Law, and that I will be responsible for any banking fees that my institution charges.

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

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Phone: \_\_\_\_\_

ACH/Routing Number: \_\_\_\_\_

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

This authorization is to remain in full force and effect until Franchisor has received a written replacement ACH Withdrawal Form notification from me. I (We) understand that revocation of this Authorization Agreement by me (us) may constitute an event of Default under the Franchise Agreement.

I (We) understand that the amount to be withdrawn by Franchisor will not be the same each month and I (We) therefore authorize all monetary transfers pursuant to Articles 6 and 18 of the Franchise Agreement.

\_\_\_\_\_

Print Franchisee / Account Holder Name

Print Franchisee/Co-Account Holder Name

\_\_\_\_\_

Franchisee/ Account Holder Signature-Date

\_\_\_\_\_

Franchisee/Co-Account Holder Signature-Date

\_\_\_\_\_

Daytime Phone Number

\_\_\_\_\_

Email Address

**PLEASE ATTACH A VOIDED CHECK TO THIS FORM**

**Please Return Form to:**  
**GoMo Tires, LLC**  
163 SW Freeman Avenue, Ste D  
Hillsboro Oregon 97123

**ATTACHMENT 4**

**MINIMUM PERFORMANCE STANDARDS**

Franchisee shall achieve the following minimum Gross Revenue at the close of each anniversary of the Opening Date:

<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEARS 3-5</b>	<b>YEARS 6-7</b>	<b>YEARS 8-10 (and renewal term)</b>
\$400,000	\$500,000	\$600,000	\$700,000	\$1,000,000

Franchisor shall determine the Minimum Gross Revenue required based on Franchisee's and the System's performance during the immediately preceding year. Franchisor will notify Franchisee of the Minimum Performance Standard following the close of the immediately preceding 3<sup>rd</sup> quarter.

**MINIMUM ROYALTIES**

Franchisee shall pay the following minimum Royalty Fees:

\$30,000 per year

**ATTACHMENT 5**

**STATEMENT OF OWNERSHIP INTERESTS IN FRANCHISEE**

**Name**

**Percentage of Ownership**

**ATTACHMENT 6**

**INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE, AND TELEPHONE LISTING AGREEMENT**

**THIS INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE, AND TELEPHONE LISTING AGREEMENT** (the “Agreement”) is made and entered into this day of \_\_\_\_\_ (the “Effective Date”), by and between GoMo Tires, LLC, a Florida limited liability company, with its principal place of business at 163 SW Freeman Avenue, Ste D Hillsboro Oregon 97123 (the “Franchisor”), and \_\_\_\_\_, a(n) \_\_\_\_\_, with its principal place of business located at \_\_\_\_\_ and \_\_\_\_\_’s principal(s), \_\_\_\_\_, an individual, residing at \_\_\_\_\_, and \_\_\_\_\_, an individual, residing at \_\_\_\_\_ (“Principal(s)”). \_\_\_\_\_ and Principal(s) shall be collectively referred to in this Agreement as the “Franchisee”.

**WHEREAS**, Franchisee desires to enter into a franchise agreement with Franchisor for an GoMo Tires business (“Franchise Agreement”) which will allow Franchisee to conduct internet-based advertising, maintain social media accounts, use software, and use telephone listings linked to the GoMo Tires brand.

**WHEREAS**, Franchisor would not enter into the Franchise Agreement without Franchisee’s agreement to enter into, comply with, and be bound by all the terms and provisions of this Agreement;

**NOW, THEREFORE**, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Definitions**

All terms used but not otherwise defined in this Agreement shall have the meanings set forth in the Franchise Agreement. “Termination” of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. **Internet Advertising and Telephone Listings**

2.1 **Interest in Web Sites, Social Media Accounts, Other Electronic Listings and Software.** Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of Franchise Agreement, certain right, title, or interest in and to certain domain names, social media accounts, hypertext markup language, uniform resource locator addresses, access to corresponding internet web sites, the right to hyperlink to certain web sites and listings on various internet search engines, and the right to use certain software (collectively, “Electronic Advertising and Software”) related to the Franchised Business or the Marks.

2.2 **Interest in Telephone Numbers and Listings.** Franchisee has or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, internet page, and other telephone directory listings (collectively, the “Telephone Listings”) related to the Franchised Business or the Marks.

2.3 **Transfer.** On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately:

2.3.1 direct all internet service providers, domain name registries, internet search engines, other listing agencies and software companies (collectively, the “Internet and Software Companies”) with which Franchisee has Electronic Advertising and Software: (i) to transfer all of Franchisee’s interest in such Electronic Advertising and Software to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Electronic Advertising and Software, Franchisee will immediately direct the Internet and Software Companies to terminate such Electronic Advertising and Software or will take such other actions with respect to the Electronic Advertising and Software as Franchisor directs; and

2.3.2 direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the “Telephone Companies”) with which Franchisee has Telephone Listings: (i) to transfer all Franchisee’s interest in such Telephone Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Listings or will take such other actions with respect to the Telephone Listings as Franchisor directs.

2.4 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor’s benefit under the Franchise Agreement and this Agreement or otherwise, with full power of substitution, as Franchisee’s true and lawful attorney-in-fact with full power and authority in Franchisee’s place and stead, and in Franchisee’s name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.4.1 Direct the Internet and Software Companies to transfer all Franchisee’s interest in and to the Electronic Advertising and Software to Franchisor, or alternatively, to direct the Internet and Software Companies to terminate any or all of the Electronic Advertising and Software;

2.4.2 Direct the Telephone Companies to transfer all Franchisee’s interest in and to the Telephone Listings to Franchisor, or alternatively, to direct the Telephone Companies to terminate any or all of the Telephone Listings; and

2.4.3 Execute such standard assignment forms or other documents as the Internet and Software Companies and/or Telephone Companies may require in order to affect such transfers or terminations of Franchisee’s interest.

2.5 Certification of Termination. Franchisee hereby directs the Internet and Software Companies and Telephone Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor’s written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.6 Cessation of Obligations. After the Internet and Software Companies and the Telephone Companies have duly transferred all Franchisee’s interests as described in paragraph 2.3 above to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations with respect to the particular Electronic Advertising and Software and/or Telephone Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet and Software

Companies and Telephone Companies for the respective sums Franchisee is obligated to pay to them for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such interests, or for any other obligations not subject to the Franchise Agreement or this Agreement.

### 3. Miscellaneous

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet and Software Companies and/or Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertible in, or in any way related to this Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, debts, claims, demands, or obligations that are related to or are based on this Agreement.

3.3 No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's interest in any matter hereunder.

3.4 Further Assurances. Franchisee agrees that at any time after the date of this Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Agreement, all provisions of the Franchise Agreement and exhibits and schedules thereto shall remain in effect as set forth therein.

3.7 Survival. This Agreement shall survive the Termination of the Franchise Agreement.

3.8 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Oregon, without regard to the application of Oregon conflict of law rules.

-Remainder of Page Intentionally Blank-

The undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.

FRANCHISOR:

**GOMO TIRES, LLC**

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

\_\_\_\_\_  
Derek Naidoo, Managing Member  
(Print Name, Title)

FRANCHISEE:

\_\_\_\_\_

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

\_\_\_\_\_  
(Print Name, Title)

PRINCIPAL:

\_\_\_\_\_

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

PRINCIPAL:

\_\_\_\_\_

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

**ATTACHMENT 7**

**SPOUSE GUARANTY**

This Guaranty and Covenant (this “Guaranty”) is given by the undersigned (“Guarantor”) on \_\_\_\_\_ to GoMo Tires, LLC, a Florida limited liability company (“Franchisor”), in order to induce Franchisor to enter into that certain Franchise Agreement dated of even date herewith (the “Franchise Agreement”) with \_\_\_\_\_, a(n) \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ (collectively “Franchisee”).

Guarantor acknowledges that Guarantor is the spouse of Franchisee’s Principal, as that term is used in the Franchise Agreement.

Guarantor acknowledges that Guarantor has read the terms and conditions of the Franchise Agreement and acknowledges that the execution of this Guaranty are in partial consideration for, and a condition to the granting of, the rights granted in the Franchise Agreement to Franchisee, and that Franchisor would not have granted these rights without the execution of this Guaranty by Guarantor.

Guarantor hereby individually makes, agrees to be bound by, and agrees to perform, all of the monetary obligations and non-competition covenants and agreements of the Franchisee as set forth in the Franchise Agreement, including but not limited to, the covenants set forth in Sections 19.2, 19.5, 19.6, 19.8 and 19.9 of the Franchise Agreement (“Guaranteed Obligations”). Guarantor shall perform and/or make punctual payment to Franchisor of the Guaranteed Obligations in accordance with the terms of the Franchise Agreement or other applicable document forthwith upon demand by Franchisor.

This Guaranty is an absolute and unconditional continuing guaranty of payment and performance of the Guaranteed Obligations. This Guaranty shall not be discharged by renewal of any obligations guaranteed by this instrument, change in ownership or control of the Franchisee entity, transfer of the Franchise Agreement, the suffering of any indulgence to any debtor, extension of time of payment thereof, nor the discharge of Franchisee by bankruptcy, operation of law or otherwise. Presentment, demand, protest, notice of protest and dishonor, notice of default or nonpayment and diligence in collecting any obligation under any agreement between Franchisee and Franchisor are each and all waived by Guarantor and/or acknowledged as inapplicable. Guarantor waives notice of amendment of any agreement between Franchisee and Franchisor and notice of demand for payment by Franchisee. Guarantor further agrees to be bound by any and all amendments and changes to any agreement between Franchisee and Franchisor.

Franchisor may pursue its rights against Guarantor without first exhausting its remedies against Franchisee and without joining any other guarantor hereto and no delay on the part of Franchisor in the exercise of any right or remedy shall operate as a waiver of such right or remedy, and no single or partial exercise by Franchisor of any right or remedy shall preclude the further exercise of such right or remedy.

If other guarantors have guaranteed any and or all of the Guaranteed Obligations, their liability shall be joint and several to that of Guarantor.

Until all of the Guaranteed Obligations have been paid in full and/or performed in full, Guarantor shall not have any right of subrogation, unless expressly given to Guarantor in writing by Franchisor.

All Franchisor’s rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between Franchisor and Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to Franchisor by law.

Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions nevertheless shall remain effective.

This Guaranty shall extend to and inure to the benefit of Franchisor and its successors and assigns and shall be binding on Guarantor and its successors and assigns.

Guarantor has signed this Guaranty as of the date set forth above.

GUARANTOR - SPOUSE OF FRANCHISEE'S PRINCIPAL:

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

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

\_\_\_\_\_

## ATTACHMENT 8

### CONFIDENTIALITY AND NON-COMPETE AGREEMENT

This Confidentiality and Non-Compete Agreement (the “Agreement”) is made and entered into this day of \_\_\_\_\_, by \_\_\_\_\_, a(n) \_\_\_\_\_ (“Franchisee”), a franchisee of GoMo Tires, LLC, a Florida limited liability company (“Franchisor”), and \_\_\_\_\_, an individual (“Covenantor”) in connection with a Franchise Agreement.

**WHEREAS**, Franchisee and Franchisor are parties to a franchise agreement dated \_\_\_\_\_ (the “Franchise Agreement”), whereby Franchisor has granted Franchisee the right to use certain trademarks, including, the registered trademark “[Concept]” and design mark, and certain proprietary products, services, promotions, and methods (the “System”) for the establishment and operation of Franchised Business outlets;

**WHEREAS**, in connection with his or her duties, it will be necessary for Covenantor to have access to some or all of the confidential information, knowledge, know-how, techniques, contents of [Concept] operations manual and other materials used in or related to the System and/or concerning the methods of operation of the System (collectively referred to as “Confidential Information”);

**WHEREAS**, the Confidential Information provides economic advantages to Franchisor and licensed users of the System, including Franchisee;

**WHEREAS**, Franchisee has acknowledged the importance of restricting the use, access and dissemination of the Confidential Information, and Franchisee therefore has agreed to obtain from Covenantor a written agreement protecting the Confidential Information and further protecting the System against unfair competition; and

**WHEREAS**, Covenantor acknowledges that receipt of and the right to use the Confidential Information constitutes independent valuable consideration for the representations, promises and covenants made by Covenantor herein.

**NOW, THEREFORE**, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

#### **1. Confidentiality Agreement.**

**a.** Covenantor shall, at all times, maintain the confidentiality of the Confidential Information and shall use such Confidential Information only in the course of his or her employment by or association with Franchisee in connection with the operation of a Franchised Business under the Franchise Agreement.

**b.** Covenantor shall not at any time make copies of any documents or compilations containing some or all of the Confidential Information without Franchisor’s express written permission.

**c.** Covenantor shall not at any time disclose or permit the disclosure of the Confidential Information except, and only then to the limited extent necessary, to those employees of Franchisee for training and assisting such employees in the operation of the Franchised Business.

**d.** Covenantor shall surrender any material containing some or all of the Confidential Information to Franchisee or Franchisor, upon request, or upon termination of employment or association with Franchisee.

**e.** Covenantor shall not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the System.

**f.** Covenantor agrees that no Confidential Information may be reproduced, in whole or in part, without written consent.

## **2. Covenants Not to Compete.**

**a.** In order to protect the goodwill and unique qualities of the System, and in consideration for the disclosure to Covenantor of the Confidential Information, Covenantor further agrees and covenants that during Covenantor's employment or association with Franchisee, Covenantor shall not, for Covenantor or through, on behalf of or in conjunction with any person or entity:

(i) divert, or attempt to divert, any business or customer of GoMo Tires outlet or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise, or

(ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any mobile vehicle tire or oil change business substantially similar to the System.

**b.** In further consideration for the disclosure to Covenantor of the Confidential Information and to protect the goodwill and unique qualities of the System, Covenantor further agrees and covenants that, upon the termination of Covenantor's employment or association with Franchisee and continuing for twenty-four (24) months thereafter, Covenantor shall not, for Covenantor or through, on behalf of or in conjunction with any person or entity:

(i) divert, or attempt to divert, any business or customer of the Franchised Business or of other franchisees in GoMo Tires System to any competitor, by direct or indirect inducement or otherwise, or

(ii) participate as an owner, partner, director, officer, employee, or consultant or serve in any other managerial, operational, or supervisory capacity in any mobile vehicle tire or oil change business within the within twenty-five (25) miles of Franchisee's Territory or any GoMo Tires location.

**c.** The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor.

**d.** If the period of time or the geographic scope specified Section 2.b. above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement or any portion thereof, without Covenantor's or Franchisee's consent, effective immediately

upon receipt by Covenantor of written notice thereof, and Covenantor agrees to forthwith comply with any covenant as so modified.

### **3. General.**

**a.** Franchisee shall take full responsibility for ensuring that Covenantor acts as required by this Agreement.

**b.** Covenantor agrees that in the event of a breach of this Agreement, Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, Franchisee is obligated to enforce the provisions of this Agreement and shall be entitled, in addition to any other remedies that are made available to it at law or in equity, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

**c.** Covenantor agrees to pay all expenses (including court costs and reasonable attorneys' fees) incurred by Franchisor and Franchisee in enforcing this Agreement.

**d.** Any failure Franchisee to object to or take action with respect to any breach of any provision of this Agreement by Covenantor shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Covenantor.

**e.** THIS AGREEMENT SHALL BE INTERPRETED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE WHERE THE FRANCHISED BUSINESS IS LOCATED. COVENANTOR HEREBY IRREVOCABLY SUBMITS HIMSELF OR HERSELF TO THE JURISDICTION OF THE STATE AND FEDERAL COURTS OF THE SUCH STATE. COVENANTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTOR HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON COVENANTOR IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY SUCH STATE OR FEDERAL LAW. COVENANTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE IN THE STATE WHERE THERE FRANCHISED BUSINESS IS LOCATED; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION THAT INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE THAT HAS JURISDICTION.

**f.** The parties agree that each of the foregoing covenants contained herein shall be construed as independent of any other covenant or provision of this Agreement.

**g.** Covenantor acknowledges and agrees that each of the covenants contained herein will not impose any undue hardship on Covenantor since Covenantor has other considerable skills, experience and education which affords Covenantor the opportunity to derive income from other endeavors.

**h.** This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

**i.** All notices and demands required to be given hereunder shall be in writing, and shall be delivered personally or by certified or registered mail, postage prepaid, addressed to the party for whom

intended, and shall be deemed given on the date of delivery or the date delivery is refused. All such notices shall be addressed to the party to be notified at the following addresses:

If directed to Franchisee:

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

If directed to Covenantor:

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

Any change in the foregoing addresses shall be effected by giving written notice of such change to the other parties.

**j.** Franchisor is an intended third-party beneficiary of this Agreement, and Franchisor may take whatever action it deems necessary to enforce Covenantor’s obligations hereunder. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and shall inure to the benefit of its respective affiliates, successors and assigns.

**k.** The respective obligations of Franchisee and Covenantor hereunder may not be assigned by Franchisee or Covenantor, without the prior written consent of Franchisor.

The undersigned have entered into this Confidentiality and Non-Compete Agreement as witnessed by their signatures below.

FRANCHISEE:

\_\_\_\_\_

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

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

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

COVENANTOR:

\_\_\_\_\_

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

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

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

State	State Agency	Agent for Service of Process
CALIFORNIA	Commissioner of the Department of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4 <sup>th</sup> Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of the Department of Financial Protection and Innovation
CONNECTICUT	State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau

<b>State</b>	<b>State Agency</b>	<b>Agent for Service of Process</b>
MINNESOTA	Minnesota Department of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21 <sup>st</sup> Floor New York, NY 10005 (212) 416-8222 Phone	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6 <sup>th</sup> Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard State Capitol, 14 <sup>th</sup> Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Director of the Department of Consumer and Business Services
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9 <sup>th</sup> Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1 <sup>st</sup> Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501

<b>State</b>	<b>State Agency</b>	<b>Agent for Service of Process</b>
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

**EXHIBIT D**  
**GENERAL RELEASE**

\_\_\_\_\_ (“Franchisee”) and its principal(s):

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

(a) Franchisee and Franchisee’s Principal(s) do, for themselves and their successors and assigns, hereby release and forever discharge generally Franchisor and any affiliate, wholly owned or controlled limited liability company, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, agent, executor, administrator, estate, trustee or heir of any of them (the “Released Franchisor Party”), from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Franchisee or Franchisee’s Principal(s) may now have, or may hereafter claim to have or to have acquired of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and antitrust statutes, rules or regulations, in any way arising out of or connected with the Franchise Agreement or this General Release, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against any Released Franchisor Party, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this General Release. In the event Franchisee or Franchisee’s Principal(s) breaches any of the promises, covenants, or undertakings made herein by any act or omission, Franchisee and Franchisee’s Principal(s) shall pay, by way of indemnification, all costs and expenses of any Released Franchisor Party caused by the act or omission, including reasonable attorneys’ fees and costs.

(b) Franchisee and Franchisee’s Principal(s) represent and warrant that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released hereby has been assigned or transferred by Franchisee or Franchisee’s Principal(s) to any other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law. In the event that any claim, demand, or suit shall be made or institute against any Released Franchisor Party because of any such purported assignment, transfer or subrogation, Franchisee and Franchisee’s Principal(s) agree to indemnify and hold such Released Franchisor Party free and harmless from and against any such claim, demand, or suit, including reasonable costs and attorneys’ fees incurred in connection therewith. It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph.

(c) THIS RELEASE IS A GENERAL RELEASE AND THE PARTIES INTEND AND AGREE THAT IT SHALL BE INTERPRETED, CONSTRUED AND ENFORCED AS SUCH.

(d) Franchisee and Franchisee’s Principal(s) acknowledge, warrant, and represent that no promises, representations, or inducements, except as set forth in this General Release, have been offered or made by any Franchisor Released Party to secure the execution of this General Release, and that this General Release is executed without reliance on any statements or any representations

not contained herein. Franchisee and Franchisee's Principal(s) knowingly waive (1) any claim that this General Release was induced by any misrepresentation or nondisclosure, and (2) any right to rescind or avoid this General Release based upon presently existing facts, known or unknown.

FRANCHISEE AND FRANCHISEE'S PRINCIPAL(S) ON BEHALF OF THEMSELVES AND THE FRANCHISEE RELEASORS WAIVE ANY RIGHTS AND BENEFITS CONFERRED BY ANY APPLICABLE PROVISION OF LAW EXISTING UNDER ANY FEDERAL, STATE OR POLITICAL SUBDIVISION THEREOF WHICH WOULD INVALIDATE ALL OR ANY PORTION OF THE RELEASE CONTAINED HEREIN BECAUSE SUCH RELEASE MAY EXTEND TO CLAIMS WHICH THE FRANCHISEE RELEASORS DO NOT KNOW OR SUSPECT TO EXIST IN THEIR FAVOR AT THE TIME OF EXECUTION OF THIS AGREEMENT. Franchisee and Franchisee's Principal(s) also covenant not to bring any suit, action, or proceeding, or make any demand or claim of any type, against any Released Franchisor Party with respect to any Franchisee Released Claim, and Franchisee and Franchisee's Principal(s) shall defend, indemnify, and hold harmless each of Franchisor Releasees against same.

Executed as of \_\_\_\_\_, 20\_\_\_\_.

FRANCHISEE:

PRINCIPAL:

\_\_\_\_\_

\_\_\_\_\_

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

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

\_\_\_\_\_

(Print Name, Title)

PRINCIPAL:

\_\_\_\_\_

\_\_\_\_\_

**EXHIBIT E**  
**SBA FRANCHISE AGREEMENT ADDENDUM**

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



SOP 50 10 5(1). Appendix 9

**ADDENDUM TO FRANCHISE<sup>1</sup> AGREEMENT**

**THIS ADDENDUM** ("Addendum") is made and entered into on ----- 20\_\_J by and between \_\_\_\_\_ ("Franchisor"), located at \_\_\_\_\_, and \_\_\_\_\_ ("Franchisee"), located at \_\_\_\_\_.

Franchisor and Franchisee entered into a Franchise Agreement on \_\_\_\_\_, 20\_\_, (such Agreement, together with any amendments, the "Franchise Agreement"). Franchisee is applying for financing(s) from a lender in which funding is provided with the assistance of the U. S. Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree that notwithstanding any other terms in the Franchise Agreement or any other document Franchisor requires Franchisee to sign:

**OF OWNERSHIP**

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor's consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the franchise interest or any portion thereof, the transferor will not be liable for the actions of the transferee franchisee.

**FORCED SALE OF ASSETS**

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchise location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the franchise term (excluding additional

\_\_\_\_\_

<sup>1</sup> While relationships established under license, jobber, dealer and similar agreements are not generally described as "franchise" relationships, if such relationships meet the Federal Trade Commission's (FTC's) definition of a franchise (see 16 CFR § 436), they are treated by SBA as franchise relationships for franchise affiliation determinations per 13 CFR § 121.301(f)(5).

SOP 50 10 5(J)  
9

Appendix

## COVENANTS

- If the Franchisee owns the real estate where the franchise location is operating, Franchisor has not and will not during the term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the Franchisee's real estate, they must be removed in order for the Franchisee to obtain SBA-assisted financing.

## EMPLOYMENT

- Franchisor will not directly control (hire, fire or schedule) Franchisee's employees. For temporary personnel franchises, the temporary employees will be employed by the Franchisee not the Franchisor.

As to the referenced Franchise Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provided to the Franchisee.

Except by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

Franchisor and Franchisee acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729 -3733.

:

**Authorized Representative of FRANCHISOR**

**Franchisor:** GoMo Tires LLC

Signed:

**Authorized Representative of FRANCHISEE**

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

Signed:

\_\_\_\_\_  
Name

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

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

\_\_\_\_\_  
Name

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

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

**Note to Parties:** This Addendum only addresses "affiliation" between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the franchise system must meet all SBA eligibility requirements

**EXHIBIT F**  
**OPERATIONS MANUAL TOC**

Franchise Operations Manual

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**EXHIBIT G**  
**CURRENT AND FORMER FRANCHISEES AS OF AUGUST 31, 2023**

As of August 31, 2023:

GoMobile Tires Franchisees: 26

LIST OF GOMOBILETIRES USA, LLC'S\* CURRENT GOMOBILE TIRES FRANCHISEES

As of August 31, 2023:

Franchisee Name	Office Location	Territory	Contact Information
<b>ALABAMA</b>			
Hire Guard Reserve, LLC Connelle Boone	108 Tallow Wood Drive, Harvest, AL 35749	Huntsville, AL	256-656-1030 alh@gomotires.com
<b>ARIZONA</b>			
Strategic Visonaries Johnnie Millirones	8835 West Toronto Way, Tolleson, AZ 85353	Phoenix, AZ	623-999-7836 az@gomotires.com
<b>CALIFORNIA</b>			
Golden Arrow Garage, LLC Mo Abuouf	3912 10th Street West APT.22 Palmdale, CA 93551	Palmdale, CA	661-936-3779 pmd@gomotires.com
Wheel Bee LLC Beeba Kapoor	13120 Old West Avenue San Diego, CA 92129	San Diego North, CA	858-905-2448 sd01@gomotires.com
<b>FLORIDA</b>			
GoMobile Tires JAX David Szweda	5107 University Blvd W, Jacksonville, FL 32216	Jacksonville, FL	904-907-0999 jax@gomotires.com
GoMobile Tires TPA Arie Mueller	5107 University Blvd W, Jacksonville, FL 32216	Tampa, FL	813-808-7333 tpa@gomotires.com
Florida Fleet Repair, Inc Mike Yarbrough	1920 NW 18th ST, Unit 5-15 Pompano Beach, FL 33069	Boward County, FL	954-699-5077 fil@gomotires.com
<b>INDIANA</b>			
ETW, LLC Ryan Gifford	1634 E Northfield Drive, Ste 700 Brownsburg, IN 46112	Indianapolis, IN	317-998-1414 indy@gomotires.com
<b>MISSOURI</b>			
KC Trends Chad Dearth	13300 Grand View Overland Park, KS 66213	Kansas City, MO	913-777-1547 kc@gomotires.com
<b>NEW JERSEY</b>			
Os Tire Delivery Service Jerard Basmagy	125 Woodgate Rd Middletown, NJ 07748	Middletown, NJ	732-216-6475 nj@gomotires.com
<b>NEVADA</b>			
GoMobile Tires Reno	5150 Sun Valley Blvd,	Reno, NV	775 600 7117

Austin Rench	Sun Valley, NV 89433		reno@gomotires.com
GoMobile Tires Las Vegas David Luce	429 Norridgewock St Henderson, NV 89074	Las Vegas, NV	702-356-3600 lv1@gomobiletires.com
<b>OHIO</b>			
Midwest Freight Solutions Inc Tate Borocaman	1342 Oakhurst Court Lebanon, OH 45036	Dayton, OH	937-794-2400 oh-day@gomotires.com
<b>OREGON</b>			
Gomobile Tires PDX Eric Mooney	163 SW Freeman Avenue Hillsboro, OR 97123	Portland, OR	971-533-0050 pdx@gomotires.com
<b>PENNSYLVANIA</b>			
M3 Courier Services Inc Michael Mattern	32 Franklin Avenue Souderton, PA 18964	Souderton, PA	445-888-5027 pa01@gomotires.com
EJ Enterprises, LLC Evan Schmitt	2230 Rte 70 Ste 2 #1300 Cherry Hill, NJ 08002	Philadelphia, PA	445-500-8010 pa02@gomotires.com
<b>TENNESSEE</b>			
Value Operated Logistics Syndicate Tagge Stroom	1617 Pineola Avenue Kingsport, TN 37664	Knoxville, TN	865-361-3100 knox@gomotires.com
<b>TEXAS</b>			
Lozzano Way, LLC Roderick Lozano	P.O. Box 19716 Austin, TX 78760	Austin, TX	512-669-9222 atx@gomotires.com
Gomobile Tires DFW LLC	7116 Stone Canyon Court McKinney, TX 75072	McKinney, TX	972-987-7763 dfw@gomotires.com
<b>UTAH</b>			
Stone Tires LLC Brad Stone	80 East 450 S Midway, UT 84049	Salt Lake City, UT	385-443-3002 ut1@gomotires.com
<b>VIRGINIA</b>			
Stricks Tire Inc Chuck Strickland	10328 Battleview Parkway Manassas, VA 20109	Manassas, VA	703-459-5556 va@gomotires.com
<b>WISCONSIN</b>			
GOMOBILE TIRS MSP Chad Granger	861 Hartman Circle Unit 812 Hudson, WI 54016	Minneapolis, MN	612-800-2685 msp@gomotires.com
Immaculate Logistics, LLC Stephen Afolabi	3902 Milwaukee St, Unit 7006 Madison, WI 53714	Madison, WI	608-209-1988 msn@gomotires.com
<b>WYOMING</b>			
Extra Mile Mobile, LLC Sprat Nabors	2900 S Sparrow Rd Wilson, WY 83014	Jackson Hole, WY	307-920-8473 wy@gomotires.com

FORMER GOMOBILE TIRES FRANCHISEES

AS OF AUGUST 31, 2023

Franchisee Name	Address	Contact Information	Closing Date
<b>CALIFORNIA</b>			
Gomobile Tires Riverside Jesus Rodriguez	14465 Sunset Ridge Rd. Riverside, CA 92503	951-965-5050	June 2023
<b>PENNSYLVANIA</b>			
GoMobile Tires Brownsville Adam Smith	20 Mylane Lane Burgettstown, PA 15021	412-880-7747	June 2022
<b>SOUTH CAROLINA</b>			
GoMobile Tires Greenville Bradon Bennet	1611 Auction Drive Pelzer, SC 29669	864-707-7577	February 2021

\*Prior FDDs did not list the former franchisees

GOMOBILE TIRES FRANCHISE AGREEMENTS SIGNED BUT NOT OPEN

Franchisee Name	Address	Contact Information	Date Signed
<b>ILLINIOS</b>			
Alpha Auto Services, LLC Abraham Alarape	1130 S Canal St, #1053 Chicago, IL 60607	773-850-5066	August 10, 2023
<b>MINNESOTA</b>			
Fast Fix Flats, LLC Eyo Ekpo	33th 4th Street NW Osseo, MN 55369	612-408-2466	July 17, 2023

**EXHIBIT H**  
**STATE LAW ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT AND**  
**FRANCHISE AGREEMENT**

**California**

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

Our website addresses are [www.GoMobileTiresUSA.com](http://www.GoMobileTiresUSA.com) and [www.GoMobileTires.com](http://www.GoMobileTires.com). OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

**FDD Item 17, FA Sections 5, 6, 7 and 9**

- (1) California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.
- (2) The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et. seq.).
- (3) The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
- (4) You must sign a general release if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).
- (5) The Franchise Agreement provides that all issues or disagreements relating to the Franchise Agreement will be mediated, tried, heard and decided in Washington County, Oregon with the costs being borne by the non-prevailing party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
- (6) The Franchise Agreement requires application of the laws of the State of Oregon. This provision may not be enforceable under California law.
- (7) Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form and containing such information as the Commissioner of Financial

Protection and Innovation may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

FDD Item 3

Response to California 10 CCR Section 310.114.1(c)(3): Neither the franchisor nor any person or franchisebroker in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in that association or exchange.

FDD Item 6; Franchise Agreement Section 6.2

Late payment penalties and late charges will not exceed California’s legal limit on interest rates, which is currently 10% annually.

FDD Item 17.r and Exhibit J (Confidentiality and Non-Competition Agreement): FA Section 18.1.7

Under Business and Professions Code Section 16600, covenants not to compete that extend beyond the termination of the franchise are not enforceable under California law.

FDD Item 5; Franchise Agreement Section 6.1.1

The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

IN WITNESS WHEREOF, the parties hereto have duly executed this California State Addendum to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

GOMO TIRES, LLC

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

Derek Naidoo, Managing Member  
(Print Name, Title)

FRANCHISEE:

---

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

\_\_\_\_\_  
(Print Name, Title)

PRINCIPAL:

---

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

PRINCIPAL:

---

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

## **Illinois**

Illinois law governs the Franchise Agreement.

Payment of Initial Franchise Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial status.

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

Franchisee's rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

**"NATIONAL ACCOUNTS" EXIST IN THIS FRANCHISE SYSTEM. THE FRANCHISOR RESERVES THE RIGHT TO IDENTIFY AND ASSIGN "NATIONAL ACCOUNTS" TO FRANCHISEES. WHETHER YOU RECEIVE COMPENSATION FOR SERVICING A NATIONAL ACCOUNT IS SOLELY AT THE FRANCHISOR'S DISCRETION.**

REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the parties hereto have duly executed this Illinois State Addendum to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

GOMO TIRES, LLC

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

Derek Naidoo, Managing Member  
(Print Name, Title)

FRANCHISEE:

\_\_\_\_\_

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

\_\_\_\_\_, \_\_\_\_\_  
(Print Name, Title)

PRINCIPAL:

\_\_\_\_\_

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

PRINCIPAL:

\_\_\_\_\_

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

## **NEW YORK ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT**

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

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE NEW YORK STATE DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21<sup>ST</sup> FLOOR, NEW YORK, NEW YORK 10005. 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. The following is added at the end of Item 3:

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

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

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

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

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of

1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of 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. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. 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.

6. 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.

7. 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.

8. 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.

**NEW YORK RIDER TO GOMO TIRES, LLC**  
**FRANCHISE AGREEMENT**

THIS RIDER TO THE FRANCHISE AGREEMENT FOR NEW YORK (“Rider”) is entered into by and between Gomo Tires, LLC, a Oregon limited liability company, with its principal office at 163 SW Freeman Avenue, Ste D Hillsboro, Oregon 97123 (“we,” “us” or “our”) and \_\_\_\_\_ (“you” or “your”), whose principal business address is \_\_\_\_\_.

WHEREAS, we and you have entered into a certain Franchise Agreement dated \_\_\_\_\_ which grants you the right to operate a GoMobile Tires franchise (the “Franchise Agreement”);

WHEREAS, you are domiciled in New York and the GoMobile Tires franchise will be located in New York, and/or any of the offering or sales activity relating to the Franchise Agreement occurred in the State of New York; and

WHEREAS, in recognition of the requirements of the General Business Law of the State of New York, Article 33, Sections 680-695, we and you desire to amend certain terms of the Franchise Agreement in accordance with the terms and conditions contained in this Rider.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained in the Franchise Agreement and this Rider and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, we and you agree as follows:

1. Sections 5.2.5 and 16.3.6 of the Franchise Agreement are amended by adding the following language to each Section:

However, to the extent required by applicable law, notwithstanding the signing of a General Release, 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.

2. Section 16.1.1 of the Franchise Agreement is amended by adding the following language to this Section:

However, to the extent required by applicable law, Franchisor will not transfer and assign its rights and obligations under the Franchise Agreement unless the transferee will be able to perform the Franchisor’s obligations under the Franchise Agreement, in Franchisor’s good faith judgment.

3. Section 20.3 of the Franchise Agreement is amended by adding the following language:

New York Law governs any cause of action which arises under the New York General Business Law, Article 33, Sections 680-695. The provisions of this Franchise Agreement shall not be deemed a waiver of any rights conferred upon Franchisee by Article 33 of the

General Business Law of the State of New York and the regulations issued thereunder.

4. In the event of any conflict between a provision of the Franchise Agreement and this Rider, the provision of this Rider shall control. All terms which are capitalized in this Rider and not otherwise defined, will have the meanings given to them in the Franchise Agreement. Except as amended by this Rider, the Franchise Agreement is unmodified and in full force and effect in accordance with its terms.

5. Each provision of this Rider will be effective only to the extent that the jurisdictional requirements of the New York General Business Law, Article 33, Sections 680-695 are met independent of this Rider.

The parties hereto have duly executed this New York Rider to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:  
GOMO TIRES, LLC

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

\_\_\_\_\_  
(Print Name, Title)

FRANCHISEE:

\_\_\_\_\_

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

\_\_\_\_\_  
(Print Name, Title)

PRINCIPAL:

\_\_\_\_\_

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

PRINCIPAL:

\_\_\_\_\_

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

## **North Dakota**

### **FDD Item 17(c); Franchise Agreement Section 5.2.5**

Item 17(c) of the Franchise Disclosure Document and Section 5.2.5 of the Franchise Agreement Requires the franchisee to sign a general release upon renewal of the franchise agreement. The North Dakota Securities Commissioner has determined this to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment law. This provision is hereby removed from Item 17(c) of the Franchise Disclosure document and Section 5.2.5 of the Franchise Agreement.

### **FDD Item 17(i); Franchise Agreement Section 18.1.8**

Item 17(i) of the Franchise Disclosure Document and Section 18.1.8 of the Franchise Agreement requires the franchisee to consent to termination or liquidation damages. The Commissioner has determined this to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise investment Law. This provision is hereby removed from Section 17(i) of the Franchise Disclosure Document and Section 18.1.8 of the Franchise agreement.

### **FDD Item 17(r); Franchise Agreement Section 19.5**

Item 17(r) of the Franchise Disclosure Document and Section 19.5 of the Franchise Agreement discloses the existence of certain covenants restricting competition to which franchisees must agree. The commissioner has held that covenants restricting competition are contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Covenants to not compete such as those mentioned above are generally considered unenforceable in the state of North Dakota.

### **FDD Item 17(u); Franchise Agreement Section 20.2**

Item 17(u) of the Franchise Disclosure Document and Section 20.2 of the Franchise Agreement provides that the franchisee must agree to the arbitration or mediation of disputes, such as arbitration or mediation to be held in Texas. The commissioner has determined that franchise agreement, which provide that parties agree to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business, are unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. This provision is hereby amended to provide the site of arbitration or mediation to be agreeable to all parties and may not be remote from the franchisee's place of business.

### **FDD Item 17(v); Franchise Agreement Section 20.3**

Item 17(v) of the Franchise Disclosure Document and Section 20.3 of the Franchise Agreement provides that franchisees must consent to the jurisdiction of courts in Texas. The Commissioner has held that requiring franchisees to consent to the jurisdiction of courts outside of North Dakota is unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. This provision is hereby removed from Section 17(v) of the Franchise Disclosure Document and Section 20.3 of the Franchise agreement.

### **FDD Item 17(w); Franchise Agreement Section 20.5**

Item 17(w) of the Franchise Disclosure Document and Section 20.5 of the Franchise Agreement provides that the agreement shall be construed according to the laws of the State of Texas. This provision is hereby amended to replace the word “Texas” with “North Dakota” where applicable in section 17(w) of the Franchise Disclosure document and Section 20.5 of the Franchise Agreement,

FA Section 20.3.3

Section 9 of the Franchise Agreement may require the franchisee to consent to a waiver of exemplary and punitive damages. The commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. This provision is hereby removed from Section 20.3.3 of the Franchise agreement.

FDD Item 5; Franchise Agreement Section 6.1.1

The franchisor will defer collection of the initial franchise fees until the franchisor has fulfilled its initial pre-opening obligations to the franchisee and the franchisee is open for business.

REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the parties hereto have duly executed this North Dakota State Addendum to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

GOMO TIRES, LLC

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

Derek Naidoo, Managing Member  
(Print Name, Title)

FRANCHISEE:

\_\_\_\_\_

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

\_\_\_\_\_, \_\_\_\_\_  
(Print Name, Title)

PRINCIPAL:

\_\_\_\_\_

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

PRINCIPAL:

\_\_\_\_\_

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

**South Dakota**

**FDD Item 5; Franchise Agreement Section 6.1.1**

The Securities Regulation Office requires that the franchisor defer the collection of all initial fees from South Dakota franchisees until the franchisor has completed all its pre-opening obligations and franchisee is open for business. For any development agreement, the payment of the development and initial fee attributable to a specific unit is deferred until that unit is open.

IN WITNESS WHEREOF, the parties hereto have duly executed this South Dakota State Addendum to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

GOMO TIRES, LLC

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

Derek Naidoo, Managing Member  
(Print Name, Title)

FRANCHISEE:

\_\_\_\_\_

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

\_\_\_\_\_, \_\_\_\_\_  
(Print Name, Title)

PRINCIPAL:

\_\_\_\_\_

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

PRINCIPAL:

\_\_\_\_\_

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

**Virginia**

**FA Section 20**

In recognition of the restrictions contained in section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Gomo Tires LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 17.h.

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

IN WITNESS WHEREOF, the parties hereto have duly executed this Virginia State Addendum to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:  
GOMO TIRES, LLC

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

Derek Naidoo, Managing Member  
(Print Name, Title)

FRANCHISEE:

\_\_\_\_\_

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

\_\_\_\_\_  
(Print Name, Title)

PRINCIPAL:

\_\_\_\_\_

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

PRINCIPAL:

\_\_\_\_\_

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

## Washington

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee will not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

## FA 15.6

FDD Item 17p; FA Sections 16 and 17

To the extent Franchise Agreement Sections 16 and 17 give us the option to purchase your business, the purchase price will be paid in cash, in full, at the time of closing.

FA Sections 5.2.5 and 16.3.6

The durations of the restrictive covenants in Section 5.7.2 of the Franchise Agreement and the post-term non-competition covenant in Section 6.7 of the Franchise Agreement are hereby amended to 18 months (rather than two years) and are otherwise limited to the extent necessary to comply with applicable Washington law.

FDD Item 5 FA 6.1.1

The franchisor will defer collection of the initial franchise fees until the franchisor has fulfilled its initial pre-opening obligations to the franchisee and the franchisee is open for business.

IN WITNESS WHEREOF, the parties hereto have duly executed this Washington State Addendum to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

GOMO TIRES, LLC

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

Derek Naidoo, Managing Member  
(Print Name, Title)

FRANCHISEE:

\_\_\_\_\_

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

\_\_\_\_\_  
(Print Name, Title)

PRINCIPAL:

\_\_\_\_\_

---

(Print Name)

PRINCIPAL:

---

---

(Print Name)

**EXHIBIT I**  
**MULTIPLE FRANCHISE PURCHASE ADDENDUM**

## EXHIBIT 2 PURCHASE ADDENDUM

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

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

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

Time is of the essence of this Development Schedule.

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

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

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

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

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

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

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

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

(Jointly and severally "you"):

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

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

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

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

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

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

## EXHIBIT J

**\*NOT FOR US IN THE STATE OF CALIFORNIA, MARYLAND OR WASHINGTON\***

### **GOMOBILE TIRES ACKNOWLEDGEMENT STATEMENT**

Acknowledgement of the truthfulness of the statements below are an inducement for the Franchisor to enter into a Franchise Agreement (or Multi-Unit Development Agreement). Notify Franchisor immediately, prior to acknowledgment, if any statement below is incomplete or incorrect.

**No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee (or developer) 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.**

1. Franchisee (or Developer) has conducted an independent investigation of all aspects relating to the financial, operational, and other aspects of the business of operating the Franchised Business. Franchisee (or Developer) further acknowledges that, except as may be set forth in Franchisor's Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to Franchisee (or Developer) by Franchisor and Franchisee (or Developer) and any and all Principals hereby waive any claim against Franchisor for any business failure Franchisee (or Developer) may experience as a franchisee (or developer) under this Agreement.

\_\_\_\_\_  
Initial

2. Franchisee (or Developer) has conducted an independent investigation of the business contemplated by this Agreement and understands and acknowledges that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of Franchisee (or Developer) and its efforts as an independent business operation.

\_\_\_\_\_  
Initial

3. Franchisee (or Developer) agrees that no claims of success or failure have been made to it or him or her prior to signing the Franchise Agreement (or Multi-Unit Development Agreement) and that it/she/he understands all the terms and conditions of the Franchise Agreement (or Multi-Unit Development Agreement). Franchisee (or Developer) further acknowledges that the Franchise Agreement (or Multi-Unit Development Agreement) contains all oral and written agreements, representations, and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.

\_\_\_\_\_  
Initial

4. Franchisee (or Developer) has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by the Franchise Agreement (or Multi-Unit Development Agreement) that are contrary to the terms of the Franchise Agreement (or Multi-Unit Development Agreement) or the documents incorporated herein. Franchisee (or Developer) acknowledges that no representations or warranties are made or implied, except as specifically set forth in the Franchise Agreement (or Multi-Unit Development Agreement). Franchisee (or Developer) represents, as an inducement to Franchisor's entry into this Agreement, that it has made no misrepresentations in obtaining the Franchise Agreement (or Multi-Unit Development Agreement).

\_\_\_\_\_  
Initial

5. Franchisor expressly disclaims the making of, and Franchisee (or Developer) acknowledges that it has not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by the Franchise Agreement (or Multi-Unit Development Agreement).

\_\_\_\_\_  
Initial

6. Franchisee (or Developer) acknowledges that Franchisor's approval or acceptance of Franchisee's (or Developer's) Business location does not constitute a warranty, recommendation, or endorsement of the location for the Franchised Business, nor any assurance by Franchisor that the operation of the Franchised Business at the premises will be successful or profitable.

\_\_\_\_\_  
Initial

7. Franchisee (or Developer) acknowledges that it has received the GoMo Tires, LLC Franchise Disclosure Document with a complete copy of the Franchise Agreement (and Multi-Unit Development Agreement) and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which the Franchise Agreement (or Multi-Unit Development Agreement) was executed. Franchisee (or Developer) further acknowledges that Franchisee (or Developer) has read such Franchise Disclosure Document and understands its contents.

\_\_\_\_\_  
Initial

8. Franchisee (or Developer) acknowledges that it has had ample opportunity to consult with its own attorneys, accountants, and other advisors and that the attorneys for Franchisor have not advised or represented Franchisee (or Developer) with respect to the Franchise Agreement (or Multi-Unit Development Agreement) or the relationship thereby created.

\_\_\_\_\_  
Initial

9. Franchisee (or Developer), together with Franchisee's (or Developer's) advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment

decision with respect to the Franchise granted by the Franchise Agreement (or Multi-Unit Development Agreement).

\_\_\_\_\_  
Initial

- 10. Franchisee (or Developer) is aware of the fact that other present or future franchisees (or developers) of Franchisor may operate under different forms of agreement(s), and consequently that Franchisor's obligations and rights with respect to its various franchisees may differ materially in certain circumstances.

\_\_\_\_\_  
Initial

- 11. It is recognized by the parties that Franchisor is also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that Franchisor does not warrant that such products will not be sold within the Franchisee's (or Developer's) Territory by others who may have purchased such products from Franchisor.

\_\_\_\_\_  
Initial

- 12. BY EXECUTING THE FRANCHISE AGREEMENT (OR MULTI-UNIT DEVELOPMENT AGREEMENT), FRANCHISEE (OR DEVELOPER) AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF FRANCHISEE'S (OR DEVELOPER'S) AND SUCH PRINCIPAL'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE GOMO TIRES, LLC, USA GOMOBILE, INC, AND ANY OF THE ABOVE'S PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AND THE FOREGOING ENTITIES' DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THE FRANCHISE AGREEMENT (OR MULTI-UNIT DEVELOPMENT AGREEMENT), INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF. THIS RELEASE SHALL NOT APPLY TO ANY CLAIMS ARISING FROM REPRESENTATIONS MADE BY FRANCHISOR IN FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT RECEIVED BY FRANCHISEE (OR DEVELOPER).

\_\_\_\_\_  
Initial

FRANCHISEE:

PRINCIPAL:

\_\_\_\_\_

\_\_\_\_\_

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

\_\_\_\_\_

(Print Name)

\_\_\_\_\_  
(Print Name, Title)

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

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

PRINCIPAL:

---

---

(Print Name)

Date: 

---

## **EXHIBIT K** **STATE EFFECTIVE DATES**

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

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

<b>State</b>	<b>Effective Date</b>
California	Pending
Illinois	Pending
Indiana	May 29, 2024
Maryland	Pending
Michigan	September 28, 2022
Minnesota	Pending
North Dakota	Pending
Rhode Island	May 26, 2024
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Not registered

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 L**  
**RECEIPT OF FRANCHISE DISCLOSURE DOCUMENT OF GOMO TIRES, LLC**

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If GoMo Tires, 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 you to receive this Franchise 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.

If GoMo Tires, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and to your state authority listed on Exhibit C.

The name and principal business address and telephone number of each franchise seller offering the franchise is:

Derek Naidoo 163 SW Freeman Ave, Suite D Hillsboro, OR 97123 (503) 501-9106	Shane Chetty 5107 University Blvd W Jacksonville, FL, 32216 (503) 501-9106	Joe Flores 2192 Bensley St. Henderson, NV 89044 (503) 501-9106
--	---	---

Issuance Date: March 28, 2024

I received a Disclosure Document dated \_\_\_\_\_, that included the following Exhibits:

- EXHIBIT A: Financial Statements of GoMo Tires, LLC
- EXHIBIT B: Franchise Agreement
- EXHIBIT C: List of State Franchise Administrators and Agents for Service of Process
- EXHIBIT D: Form of General Release
- EXHIBIT E: SBA Franchise Agreement Addendum
- EXHIBIT F: Operations Manual Table of Contents
- EXHIBIT G: Current and Former Franchisees as of August 31, 2023
- EXHIBIT H: State Addendum
- EXHIBIT I: Multiple Franchise Purchase Addendum
- EXHIBIT J: GoMobile Tires Acknowledgment Statement
- EXHIBIT K: States Effective Dates
- EXHIBIT L: Receipt

Date Received: \_\_\_\_\_  
(If other than date signed)

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

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

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

City, State: \_\_\_\_\_

\_\_\_\_\_  
(Signature of recipient)

Please return signed receipt to GoMo Tires, LLC,  
164 SW Freeman Avenue,  
Suite D Hillsboro, OR 97123

**EXHIBIT L**  
**RECEIPT OF FRANCHISE DISCLOSURE DOCUMENT OF GOMO TIRES, LLC**

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If GoMo Tires, 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 you to receive this Franchise 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.

If GoMo Tires, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and to your state authority listed on Exhibit C.

The name and principal business address and telephone number of each franchise seller offering the franchise is:

Derek Naidoo 163 SW Freeman Ave, Suite D Hillsboro, OR 97123 (503) 501-9106	Shane Chetty 5107 University Blvd W Jacksonville, FL, 32216 (503) 501-9106	Joe Flores 2192 Bensley St. Henderson, NV 89044 (503) 501-9106
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- EXHIBIT K: States Effective Dates
- EXHIBIT L: Receipt

Date Received: \_\_\_\_\_  
(If other than date signed)

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

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

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

City, State: \_\_\_\_\_

\_\_\_\_\_  
(Signature of recipient)

**KEEP FOR YOUR RECORDS**