10-4 TOW ®

FRANCHISE DISCLOSURE DOCUMENT

10-4 TOW LLC
a California Limited Liability Company
1941 Jackson Street, Unit 4
Oakland, CA 94612
(844) 690-3070
www.ten4tow.com

This Disclosure Document describes a franchise for a vehicle towing and roadside assistance business. The franchise will be offered only to prospective franchisees who are currently operators of an independent towing and roadside assistance business. The franchised business will operate under the *10-4 TOW* name.

The total investment necessary to begin operation of the business is from $4,250 to $17,400 including a $2,500 franchise fee that must be paid to the franchisor.

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 Gavriel Taub at the above address.

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”, that can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC’s home page at **www.ftc.gov** for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance date: February 26, 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
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit B includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only 10-4 TOW business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a 10-4 TOW franchisee?	Item 20 lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

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 A.

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:

Out-of-State Dispute Resolution. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in California. 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 California than in your own state.

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

10-4 TOW ®

Franchise Disclosure Document

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A State-Specific Addendum follows Page 19

Exhibits

ITEM 1 THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this disclosure document, words such as "we", "us" and "our", refer to 10-4 TOW LLC, the franchisor of *10-4 TOW* businesses. Words such as "you" and "your" refer to the purchaser of this franchise.

10-4 TOW LLC is a California Limited Liability Company that was formed on January 25, 2018. Our principal business address is 1941 Jackson Street, Unit 4, Oakland, CA 94612. Our telephone number is (844) 690-3070.

We do not operate a business of the type that will be operated by *10-4 TOW* franchisees. Franchising *10-4 TOW* businesses is our only business activity. We do business exclusively under the name *10-4 TOW*.

The names and addresses of our agents for service of process in certain states are listed on Exhibit A to this disclosure document.

10-4 TOW franchisees will conduct vehicle towing and roadside assistance for the general public. The *10-4 TOW* franchise seeks to consolidate independent towing and roadside assistance operators under a common brand and provide a referral network to provide increased business to *10-4 TOW* franchisees. The franchise is offered only to those currently in that type of business.

The towing and roadside assistance market is well developed and serves the general motoring public. The activities of the business are not seasonal.

The towing business is subject to various laws and rules that often differ in each state and with political subdivisions within in a state. Tow truck drivers normally require a commercial driver license and towing companies usually require permits from the cities and counties in which they operate. Tow trucks must normally qualify for commercial license plates. In addition, the laws and regulations that apply to businesses in general in a state, county and city will apply to a towing business.

10-4 TOW franchisees will compete with other towing and roadside assistance businesses, including those offered by auto clubs and insurance companies, as well as independent tow truck operators and those operated by auto dealers and repair shops.

We began offering franchises for *10-4 TOW* franchises in 2018. We have not engaged in or franchised any other lines of business.

ITEM 2 BUSINESS EXPERIENCE

<u>Gavriel Taub – President, Secretary and Chief Financial Officer</u>

Mr. Taub assumed his offices with us upon our formation. Since 2010 he has also held similar offices with our affiliate Trio Group LLC which provides consulting and marketing services to independent tow truck and roadside assistance operators.

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5 INITIAL FEES

The initial franchise fee payable for a *10-4 TOW* franchise is $2,500.00. This fee is payable in installments by deducting 5% of the gross receipts you collect from customers we refer to you. Once the initial franchisee fee is paid in full, the 5% deduction is discontinued. The franchise fee is not refundable.

ITEM 6 OTHER FEES

Type of fee	Amount	Due Date	Remarks
Referral Fee	50% of the gross revenue received as a result of our referral.	By the Tuesday of each week based on your receipts for the prior week.	We can specify the method payment and change it periodically in our discretion. You do not pay a referral fee on revenue you receive from customers who contact you directly and have not learned of you through us.
Transfer Fee	$2,500	When we require but prior to training your transferee	Payable only if you transfer over 50% of the interest in your business.

Notes: 1. Unless otherwise indicated, all of the foregoing fees and charges are payable to us, are uniformly imposed and are not refundable.

ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial Franchise Fee (See Note 1)	$2,500	In installments equal to 5% of your gross receipts from customers we refer to you.	Upon signing the Franchise Agreement	Us

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Computer and Telephone Equipment (See Note 2)	$0 to $2,000	Lump sum	As needed	Suppliers
Signs and Office Supplies (See Note 3)	$250	Lump sum	As needed	Suppliers
Insurance (See Note 4)	$1,500 to $3,500	Lump sum	As needed	Insurance companies
Legal and Accounting	$0 to $3,500	Lump sum	As needed	Lawyers and accountant/ bookkeeper
Licenses and Permits	$0 to $650	Lump sum	As needed	Government agencies
Rent (See Note 5)	$0 to $1,500	Lump sum	As needed	Landlord
Additional funds for first 3 month period (See Note 6)	$0 to $3,500	Lump sum	As needed	Rent, salaries, expenses
TOTAL (Not including rent or lease deposits) (See Note 7)	$4,250 to $17,400			

Notes:

1. The initial franchise fee is not refundable. It is collected in installments based upon 5% of your gross revenue from customers referred to you by us. Once the initial franchise fee is paid, the additional payment ends.

2. If you already have a computer system to record your sales, you will not have to add a new computer system. You will have to have a dedicated telephone number for your *10-4 TOW* business. Referrals from us will be by telephone and/or computer.

3. You will need signs for your trucks and, if you have an office outside of you home, a simple sign for your office. You will have printed work orders and the like with the *10-4 TOW* name on them.

4. You may have to increase the amount of your existing insurance coverage to comply with the requirements of the Franchise Agreement. See Item 8 below for the limits required by the Franchise Agreement.

5. If you have a home office you will not have a rent expense. If you have an existing business office outside your home, you can continue to use it for your *10-4 TOW* business.

6. This estimate is for initial and ongoing expenses during your first 3 months of operation over and above your business receipts. Items covered include payroll, rent, telephone, utilities, advertising, training and miscellaneous ongoing expenses. Since you are currently operating a tow truck and roadside assistance business, there may be no need for additional capital if you are operating profitably. However, there is no assurance your cash requirements will not exceed our estimate. As such, you may need additional money during this start-up phase or thereafter. Your costs will depend on factors such as how well you follow our system, your management skills and business acumen, local economic conditions and the business level reached during your initial period operation. In estimating these numbers, we relied on the experience of our affiliate, Trio Group, over the last 10 years in providing services to those in the towing and roadside assistance business.

7. We do not offer financing to our franchisees for any of the foregoing expenses except, as noted, for the initial franchise fee. None of the fees paid to us are refundable. Typically, amounts paid to third parties will not be refundable unless otherwise agreed with the concerned provider.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

If you have an office that is open to the public, we must approve your business location. Your business office must be maintained in a presentable and professional manner.

Neither we nor our affiliates currently provide you with any goods, if we or they do, we or they will derive revenue from any items you purchase from us or our affiliates.

You must acquire and use telephone and computer hardware and software that allows you to maintain your business records and communicate with us and our referral system. See Item 11 below for more information about the computer system and software you must purchase for the operation of your business.

We must approve all of the services you provide. We currently do not designate what products you must purchase or from where you must purchase them. If at a later time we have designated a supplier for any product or service you are required to purchase and you want to use a supplier that we have not yet approved, you must give us written notice of the identity and address of the supplier and the product or service you want to acquire from that supplier. We can request information on and samples of those items to use in evaluating your request. After we receive all of the information we require concerning the supplier and its goods or services, we will either approve or disapprove of the supplier normally within 30 days. The criteria we use for approval of suppliers include the supplier's ability to provide products or services meeting our specifications, the supplier's reliability with respect to the quality of its products or services, the supplier's agreement to conform to our specifications and to allow us to make periodic inspections to insure continued conformity with our specifications and the number of existing approved suppliers for the goods or services in question. We can withdraw our approval of suppliers at any time.

If we incur any expenses in connection with the review of any supplier or product, we have the right to charge the supplier of the product or service a reasonable fee to cover those costs. If any supplier gives us an advertising allowance or similar payment, we will use those funds only for advertising and promotional purposes.

We have no purchasing or distribution cooperatives. We will attempt to negotiate with suppliers that are used by a number of our businesses so that we can get the best possible prices for their products although we cannot promise that we can accomplish that result.

We do not provide additional benefits to franchisees that purchase particular products or services or patronize particular suppliers.

We can designate the minimum types and amounts of insurance you must carry. We must approve the terms of your policies and be named as an additional insured under your policies. As of the date of this disclosure document the Franchise Agreement requires the following insurance coverage:

Commercial General Liability/Garagekeepers liability for bodily injury and property damage including owned and non-owned auto liability	$1,000,000 each occurrence with a $2,000,000 general aggregate
Personal Property "All Risk" comprehensive protection on replacement cost basis	Replacement value
Garagekeepers Liability covering customers vehicles in storage and "on-hook"	$100,000
Workers' Compensation--if you have employees	As required by law

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/sublease	Section 5	Items 8, 11 and 12
b. Pre-opening purchases/leases	Sections 6 and 8	Items 7, 8 and 11
c. Site development and other pre-opening requirements	Sections 5, 6, 7 and 8	Items 7 and 11
d. Initial and ongoing training	Section 7	Item 11
e. Opening	Sections 5 and 8	Item 11
f. Fees	Sections 3, 4, 7, 8, 9, 13 and 16	Items 5 and 6
g. Compliance with standards and policies/ Operations Manual	Sections 6, 7, 8 and 9	Items 11 and 17
h. Trademarks and proprietary information	Sections 8, 9 and 10	Items 13 and 14
i. Restrictions on products/services offered	Section 8	Items 8 and 16
j. Warranty and customer service requirements	Section 8	Not applicable
k. Territorial development and sales quotas	Section 5	Items 12 and 17
l. Ongoing product/service purchases	Sections 6, 7 and 8	Items 8 and 11
m. Maintenance, appearance and remodeling requirements	Sections 6 and 8	Not applicable
n. Insurance	Section 11	Item 8
o. Advertising	Section 9	Items 6, 7 and 11
p. Indemnification	Section 12	Not applicable
q. Owner’s participation/ management/staffing	Sections 7 and 8	Item 15
r. Records and reports	Sections 3 and 8	Not applicable

Obligation	Section in Agreement	Disclosure Document Item
s. Inspections	Section 8	Item 6
t. Transfer	Section 13	Items 6 and 17
u. Renewal	None.	Not applicable
v. Post-termination obligations	Sections 14 and 15	Item 17
w. Non-competition covenants	Section 15	Item 17
x. Dispute resolution	Section 16	Item 17

ITEM 10 FINANCING

We do not offer you any direct or indirect financing. We do not guarantee any of your notes, leases or other obligations.

ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, 10-4 TOW LLC is not required to provide you with any assistance.

Pre-Opening Obligations

1) You can only locate your business at a site we have approved. Our review of your proposed site normally will not take over 7 business days. If we do not approve the site we will advise you of the steps you can take, if any, to make the site acceptable to us. Among the criteria we use in determining whether to approve your site are the physical characteristics of the location, the nature of the area, the facilities available on the site, and so forth. Unless we specify otherwise, you can operate your business from a home office as long as you are able to do so in a professional manner. (Franchise Agreement Section 5.2)

2) If you want to locate your business outside of your home, we will find and secure a location and sublease it to you on a pass-through basis although we will pay the rent on the property. (Franchise Agreement Sections 5.2)

3) We provide with you with training in our system including reviewing with you certain safety guidelines. (Franchise Agreement Section 7.1).

We provide all of the foregoing services for your first business. We can reduce the services we provide for your second and subsequent *10-4 TOW* businesses since at that time you will have experience in opening a *10-4 TOW* business.

Time to Open

It typically takes between 2 to 8 weeks after you sign your Franchise Agreement to begin your *10-4 TOW* business, depending on the time it takes to secure any needed location, obtain any needed financing, make tenant improvements, equip, decorate and complete the construction of your business location, complete training, hire and train staff, if any, and other factors.

Obligations During Operation

1) We will maintain a call center, or similar referral service, to receive customer inquiries and requests for services. We have discretion where to send those who contact our call center or other such service. (Franchise Agreement Section 8.1).

2) When and if they are developed, we allow you continuing use of our manuals and the information on our Intranet and our other nonpublic sites which may contain various operations and marketing/public relations information as well as various templates, policies, programs and the like. (Franchise Agreement Sections 8.1)

3) We provide you with ongoing assistance and advice (Franchise Agreement Section 8.13)

4) We provide you with one or more email addresses and a page for your business on our web site. (Franchise Agreement Section 9.4)

5) We can provide additional training, meetings and conferences in our discretion. (Franchise Agreement Section7.6).

6) We can send a representative to your business to consult with you on the operation and performance of your business at such times and with such frequency as we determine. (Franchise Agreement Section 8.13).

Advertising Program

We do not have a national, regional or local advertising or public relations fund to which you must contribute or an advertising cooperative to which you must belong.

You must follow all of our policies and procedures concerning your use of the Internet, other electronic media and any other means or media whether or not it is specified in the Franchise Agreement and whether the media now exists or may be developed in the future, in connection with your advertising, promotions, marketing or other activities. Without our prior written consent, you may not use any of the assets we license to you, our names or marks or any names or marks confusingly similar to them in connection with any use you make of the Internet or other media. (Franchise Agreement Sections 9.5-9.8)

Computer System

We currently do not specify what computer system you must use. You have to have a telephone with a dedicated *10-4 TOW* number. (Franchise Agreement Section 6.1)

At this time, we do not specify any particular software you must use in the operation of your business.

We reserve the right to update and modify our system and software requirements. You must comply with these new requirements when we so direct. We will give you a reasonable time to amortize the cost of your current system and software before we require you to acquire a new computer system or software. There are no contractual limitations on the frequency and cost involved in the upgrading, updating or modifying of your hardware or software. (Franchise Agreement Section 6.3) We do not require that you carry maintenance or insurance contracts on your hardware or upgrade contracts on you software although we suggest you do so.

Manuals

We currently have no manuals.

Training

TRAINING PROGRAM

Subject	**Hours of Classroom Training**	**Hours of On-The-Job Training**	**Location**
The *10-4 TOW* system	2	0	Your office
Safety requirements	3	0	Your office
Totals:	5	0	

The times in this chart are estimates only. Since this franchise is sold only to people who are currently in the towing and roadside assistance business, no business training is provided, We conduct our training as needed. No specific materials are used in connection with our training. Our training and related information is discussed in Section 7 of the Franchise Agreement.

The person who operates the franchised business must complete our training to our reasonable satisfaction before you begin business as a *10-4 TOW* franchisee. You may have others attend our training when we conduct it for you. If you do not satisfactorily complete our training course we can terminate the Franchise Agreement. (Franchise Agreement Section 7.2)

Training will be conducted by Gavriel Taub whose experience is discussed in Item 2 above, or by someone he designates who will have experience in operating a towing business.

We do not charge for the initial training but you are responsible any travel and related expenses as well as the salaries, benefits and expenses of the trainees you have attend our training course. No additional charge is made for additional training, including if that is necessary because one of your original trainees do not complete our training course or fail to complete it to our reasonable satisfaction, but you agree to reimburse us for our expenses in connection with visiting your business location if we do additional training. (Franchise Agreement Section 7.5)

We may provide refresher courses, conventions, seminars, programs or meetings for our franchisees and/or for those working for them. Much of our additional training will be given online. We will not require attendance at meetings but you, and those that we specify, may be required to take our additional training courses and complete them in a manner satisfactory to us. (Franchise Agreement Sections 7.6 and 7.7)

ITEM 12 TERRITORY

The franchise is granted only for the specific location that is described in the Franchise Agreement. We do not grant you a protected or exclusive territory. You may face competition from other franchisees, from outlets that we own, from our affiliates or from other channels of distribution or competitive brands that we control.

The continuation of your franchise does not depend on your achieving any particular sales volume, market penetration, quota or other contingency.

See the discussion in Item 11 above for the general criteria we use in approving a location.

Since you do not have an exclusive or protected territory, the Franchise Agreement does not preclude us, our affiliates and our other franchisees from serving customers in any area. Similarly, you are not restricted as to the area in which you may do business.

We do not have any current plans to operate or franchise a similar business under different trademarks that provide services similar to those you will offer.

You can relocate your business location only with our prior written consent.

You are not granted any options, rights of first refusal or similar rights to acquire additional franchises. As such, we have no obligation to allow you to open any additional *10-4 TOW* facilities.

ITEM 13 TRADEMARKS

In the Franchise Agreement we grant you the right to use the *10-4 TOW* name. That trademark was registered on the Principal Register of the United States Patent and Trademark Office on December 25, 2018, and bears Registration Number 5639502. The application for that mark was originally filed on December 28, 2017, by our affiliate Trio Group LLC. The application and right to use the name and mark was assigned to us by Trio Group LLC on March 3, 2018.

To the best of our knowledge there are no currently effective material determinations of the United States Patent and Trademark Office, trademark trial and appeal board, the trademark administrator of any state or any court involving our service marks or any pending infringement, opposition, cancellation or pending material litigation involving the marks.

There are no agreements currently in effect that significantly limit our rights to use or license the use of the names, marks or symbols we use in any manner material to your franchise.

Even though we license you to use the *10-4 TOW* name, you are not allowed to use those names, or any similar names, in the name of the partnership, limited liability company, corporation or other business entity that owns your business or in the name of any other business or entity in which you have an interest.

We may license you periodically to use other names, marks or symbols in connection with the operation and promotion of your business. You must use those names, marks or symbols at your expense. You cannot use any names, marks or symbols to identify or promote your business other than those we specify.

If for any reason we decide to change our principal names, marks or symbols, you agree to use our new names, marks or symbols and to discontinue using the names, marks or symbols we direct you to stop using. If we require you to stop using any of the names, marks or symbols we license to you, we will reimburse you for your reasonable out of pocket costs in replacing items that bear the affected names, marks or symbols as long as you comply with our directives concerning their use and disposition.

If your use of any of the names, marks or symbols we license to you is ever challenged, or if you discover a possible infringing use by a third party, you must notify us of that challenge or infringement immediately. It is up to us what action to take, if any, concerning the challenge or infringing use as well as concerning any legal or administrative action concerning the names, marks or symbols that are used in connection with the franchised business. We will pay all fees and costs in any action resulting from a challenge by third parties to the use of our names, marks or symbols. We also will pay any damages for which you are held liable in any infringement or unfair competition action by a third party as long as you have used the licensed names, marks and symbols as required by your Franchise Agreement and have notified us promptly of the claim. You agree in the Franchise Agreement to cooperate with us in handling any proceedings involving the licensed names, marks or symbols.

You agree in the Franchise Agreement not to apply for registration of any of the licensed names, marks or symbols or to contest their ownership. You also agree not to assist anyone else in doing so.

ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any patents or copyright registrations that are material to the franchise.

We have an unregistered copyright on our manuals. The contents of our manuals and our other confidential information are our proprietary property. You are not permitted to use or share our confidential information except as permitted in your Franchise Agreement.

If we so require, your employees and others working for or with you must sign confidentiality and noncompetition agreements in the form we require in order to protect our proprietary and confidential information.

ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

We have found that a business has the best chance of success when people with a material stake in its operation control and supervise its daily conduct. While we do not require that you be the principal operator of your business, we recommend that you do so.

If we so require, anyone we authorize you to show our confidential information, must sign a noncompetition and nondisclosure agreement in which they promise not to disclose or misuse any of our confidential or proprietary information.

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may provide from your business only the products and services that we specify or approve. You are prohibited from offering or selling any products or services we do not authorize. If you wish to offer a product or service that we do not authorize, you must let us know the exact specifications of that product or service, in writing, and receive written consent, before engaging in the sale of that product or service. We are under no obligation to provide such consent. See Item 8 above for more details.

You cannot use your business premises for any purpose other than the operation of your business. We can add to, delete or otherwise modify the products and services we require you to provide from your business.

Except as discussed in Item 12 above, you are not limited in the clients to whom you may sell your services.

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists important provisions of the Franchise Agreement. You should read these provisions in the Franchise Agreement attached to this disclosure document.

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	4.1	The initial term of the Franchise Agreement is 1 year.
b. Renewal or extension of the term	4.2	The franchise is not renewable.

Provision	Section in Franchise Agreement	Summary
c. Requirements for franchisee to renew or extend	4.2 – 4.5	You must be in good standing under your Franchise Agreement; you must not have received 2 or more notices of default during the term of the Franchise Agreement and must have substantially complied with all agreements with us and with our affiliates during the term then in effect including having paid all amounts due as required by the Franchise Agreement or other agreement; for a new term, you must enter into a new Franchise Agreement which may contain terms that are materially different than the Franchise Agreement, and you must sign a general release of all claims against us or our affiliates.
d. Termination by franchisee	14.7	If we violate a material term of the Franchise Agreement and fail to cure the violation within 20 days after notice, plus such additional time as reasonably may be needed, you may pursue your rights as allowed by applicable law.
e. Termination by franchisor without cause	None	Not Applicable
f. Termination by franchisor with cause	14.1 – 14.4	We can terminate your Franchise Agreement only for cause.
g. "Cause" defined - curable defaults	14.1 – 14.4	You have limited time periods to cure various types of defaults: You have 10 days after notice to pay fees or other sums that are overdue; you have 5 days to recover possession of any assets seized, levied upon or foreclosed; you have 30 days to satisfy any judgment against you or file an appeal bond. Except for defaults that allow us to terminate your Franchise Agreement immediately and those listed above, you will be given 20 days after notice to cure any other defaults under your Franchise Agreement. If, in our opinion, 20 days are insufficient to cure the default, we will give you additional time to cure the default as long as you begin the cure within the initial 20 day period. If you do not complete the correction of any default within the required time period, we can terminate your Franchise Agreement.
h. "Cause" defined - non-curable defaults	14.1	Defaults that cause immediate termination include: bankruptcy or insolvency; material misrepresentation in the acquisition of the franchise; engaging in conduct that reflects in a materially negative manner on our business, network or system; failure to comply with material federal, state or local laws; committing 2 or more defaults in any 12 month period; conviction of a felony or another crime that relates to, or adversely reflects on, your business or our business, system or network; intentional underreporting of receipts; operation of your business in a way that results in danger to public health or safety; any attempt to make an unapproved transfer; if you are unable or unwilling to comply with the Franchise Agreement; failure to transfer the interest of a deceased or legally incompetent person within the time allowed; if you abandon the

Provision	Section in Franchise Agreement	Summary
		business by failing to operate it for 5 consecutive days or shorter (if not unreasonable) unless such failure is caused by fire, flood, earthquake or similar cause beyond your reasonable control.
i. Franchisee's obligations on termination/non-renewal	14.8 – 14.11	When your Franchise Agreement ends you must: pay all amounts due to us and our affiliates; stop using our proprietary property; modify your business location so that it does not look like an *10-4 Tow* facility; return all manuals, software and other materials; cancel fictitious business name; notify all suppliers and concerned others that you are no longer an *10-4 Tow* franchisee; assign us your telephone number and listing and any Internet or similar address; not identify yourself as having been associated with *10-4 Tow*. If you breach your agreement we have all other remedies available to us at law and in equity. When your obligations have been satisfied you will sign a release of all claims except those noted in the release.
j. Assignment of contract by franchisor	13.10	We can transfer the Franchise Agreement without your prior approval. Any such transfer will not materially interfere with your benefits under the Franchise Agreement.
k. "Transfer" by franchisee - definition	13.1	Any full or partial transfer of the franchise or any ownership interest in any entity owning the franchise.
l. Franchisor approval of transfer by franchisee	13.3	Other than for your transfer to an entity you own, we must approve any transfer whether voluntary or involuntary.
m. Conditions for franchisor approval of a transfer	13.4 – 13.18	The proposed transferee must meet our then-current standards; all information on the transferee and the terms of the transfer must be provided to us for approval; your transferee must complete our training course to our satisfaction; you must pay our transfer fee; you will sign a release of all claims except as noted in the release.
n. Franchisor's right of first refusal to acquire franchisee's business	None	Not Applicable
o. Franchisor's option to purchase franchisee's business	None	Not Applicable
p. Death or disability of franchisee	13.11	Your interest in the franchise and in any entity that owns the franchise is transferable by will or intestate succession upon your death or by your court-appointed guardian if you are declared to be legally incompetent. Your estate can sell your interest in the franchise to an approved transferee within the remaining term of the Franchise Agreement. All other transfer conditions apply.

Provision	Section in Franchise Agreement	Summary
q. Non-competition covenants during the term of the franchise	15.2	You can have no interest in, be employed by or assist any competing business during the term of your Franchise Agreement.
r. Non-competition covenants after the franchise is terminated or expires	None	Not Applicable
s. Modification of the agreement	17.1 – 17.3	The Franchise Agreement can be modified only by a written agreement signed by both of us. We can modify our manuals and all other aspects of our system and you must comply with these changes.
t. Integration/merger clauses	30.1 – 30.6	Only the terms of the Franchise Agreement and other related written agreements are binding, subject to applicable state law. No other representations or promises will be binding. Nothing in the Franchise Agreement or in any other related written agreement is intended to disclaim the representations made in this Franchise Disclosure Document.
u. Dispute resolution by arbitration or mediation	16.1 – 16.3	Except for certain types of claims, all disputes between us must first be mediated.
v. Choice of forum	16.4	Unless prevented by applicable law, all dispute resolution must take place in the city where our main business office is located.
w. Choice of law	23.1	Except as required to the contrary by applicable law, the laws of California govern all agreements between us.

Also see the State-Specific Addendum to this Franchise Disclosure Document and the Franchise Agreement for additional terms that may apply in your state.

ITEM 18 PUBLIC FIGURES

No public figure is involved in the promotion of our franchise or in the management of our company.

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

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 Gavriel Taub, 1941 Jackson Street, Unit 4, Oakland, CA 94612 (844) 690-3070 or gabitaub@gmail.com, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary
For years 2021, 2022 and 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**	**0**	**0**	**0**
	2022	**0**	**0**	**0**
	2023	**0**	**0**	**0**
Company-Owned	**2021**	**0**	**0**	**0**
	2022	**0**	**0**	**0**
	2023	**0**	**0**	**0**
Total Outlets	**2021**	**0**	**0**	**0**
	2022	**0**	**0**	**0**
	2023	**0**	**0**	**0**

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2021, 2022 and 2023

Column 1 State	Column 2 Year	Column 3 Number of Transactions
California	**2021**	**0**
	2022	**0**
	2023	**0**
Totals	**2021**	**0**
	2022	**0**
	2023	**0**

Table No. 3

Status of Franchised Outlets
For years 2021, 2022 and 2023

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations/ Other Reasons	Column 9 Outlets at End of Year
California	**2021**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2022	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2023	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Totals	**2021**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2022	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2023	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 4

Status of Company-Owned Outlets
For years 2021, 2022 and 2023

Column 1 State	Column 2 Year	Column 3 Outlets at Start of the Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired From Franchisees	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisees	Column 8 Outlets at End of the Year
California	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
Totals	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0

Table No. 5

Projected Openings As Of December 31, 2023

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
California	0	1	0
TOTALS	0	1	0

There are no franchisees who have not communicated with us in the last 10 weeks.

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

There are no franchisees that left the system during our last fiscal year.

During the last three fiscal years no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as franchisees in our system.

ITEM 21 FINANCIAL STATEMENTS

Attached as Exhibit B are our audited financial statements as of December 31, 2023, with certain comparative data for December 31, 2022, and December 31, 2021.

ITEM 22 CONTRACTS

Attached as Exhibit C is our *Franchise Agreement* and its exhibits. Exhibit D to this disclosure document is the *Acknowledgment at Closing* that you must review and sign at the time you sign the Franchise Agreement. The exhibits to our Franchise Agreement include the marks we license to you, our *Sublease Agreement*, our *Mutual General Release* and our *Confidentiality and Nondisclosure Agreement*.

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

ITEM 23 RECEIPT

The last pages of this disclosure document consist of a detachable document acknowledging receipt of this disclosure document that you must sign and return to us. You should retain a copy of this receipt for your records.

STATE-SPECIFIC ADDENDUM TO
***10-4 TOW* FRANCHISE DISCLOSURE DOCUMENT**

The following provisions are applicable to franchises in the state of California:

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. Neither the franchisor nor any person in Item 2 of the Franchise Disclosure Document is subject to any currently effective order of any national securities association or 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.

4. Section 31125 of the *California Corporations Code* requires us to give you a disclosure document, in a form containing the information that the Commissioner of the Department of Financial Protection and Innovation may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

5. OUR WEBSITE www. ten4tow.com 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.

6. You must sign mutual 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).

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

IF 10-4 TOW LLC DOES NOT DELIVER THIS FRANCHISE DISCLOSURE DOCUMENT ON TIME OR IF IT CONTAINS A FALSE OR MISLEADING STATEMENT OR A MATERIAL OMISSION, A VIOLATION OF FEDERAL AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C. 20580 AND TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT ANY OF ITS OFFICES.

STATE FRANCHISE LAW ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

EXHIBIT A
to *10-4 TOW* Franchise Disclosure Document

State Franchise Law Administrators

California:
Department of Financial Protection and Innovation
One Sansome Street, Suite 600
San Francisco, CA 94104

320 West 4th Street, Suite 750
Los Angeles, CA 90013-1105

1515 K Street, Suite 200
Sacramento, CA 95814-4052

1350 Front Street, Room 2034
San Diego, CA 92101

Telephone: 1-866-ASK-CORP

Hawaii:
Department of Commerce and
Consumer Affairs
Business Registration Division
335 Merchant Street
Honolulu, HI 96813

Illinois:
Office of the Attorney General
500 South Second Street
Springfield, IL 62706

Indiana:
Indiana Securities Division
Secretary of State
302 West Washington Street, Room E-111
Indianapolis, IN 46204

Maryland:
Office of the Attorney General
Division of Securities
200 Saint Paul Place, 20th Floor
Baltimore, MD 21202-2020

Michigan:
Consumer Protection Division
Antitrust and Franchise Unit
Michigan Department of Attorney General
670 Law Building
Lansing, MI 48913

Minnesota:
Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, MN 55101

New York:
New York State Department of Law
Division of Economic Justice
Investor Protection Bureau
28 Liberty Street
New York, NY 10005

North Dakota:
Office of Securities Commissioner
600 East Boulevard, 5th Floor
Bismarck, ND 58505

Rhode Island:
Division of Securities
1511 Pontiac Avenue, Bldg. 69-1
Cranston, RI 02920

South Dakota:
Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501

Virginia:
State Corporation Commission
Division of Securities and
Retail Franchising
1300 East Main Street, 9th Floor
Richmond, VA 23219

Washington:
Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, WA 98501

Wisconsin:
State of Wisconsin
Office of the Commissioner of Securities
345 West Washington Avenue, 4th Floor
Madison, WI 53703

State Agents for Service of Process

California:
Commissioner of the Department of Financial Protection and Innovation
1515 K Street, Suite 200
Sacramento, California 95814

Hawaii:
Commissioner of Securities
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

Illinois:
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706

Indiana:
Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204

Maryland:
Maryland Securities Commissioner
200 Saint Paul Place
Baltimore, Maryland 21202-2020

Minnesota:
Commissioner of Commerce
Department of Commerce Registration Division
85 Seventh Place East
St. Paul, Minnesota 55101

New York:
New York Secretary of State
99 Washington Avenue
Albany, New York 11231

North Dakota:
Securities Commissioner
600 East Boulevard Avenue
State Capitol, Fifth Floor, Dept. 414
Bismarck, North Dakota 58505-0510

Rhode Island:
Director of Business Regulation
Securities Division
John O. Pastore Complex
1511 Pontiac Avenue, Building 69-1
Cranston, RI 02910

South Dakota:
Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501

Virginia:
Clerk, State Corporation Commission
1300 East Main Street, First Floor
Richmond, Virginia 23219

Washington:
Administrator of Securities Department of Financial Institutions Securities Division
150 Israel Rd, SW
Tumwater, Washington 98501

Wisconsin:
Commissioner of Securities
345 W. Washington Ave., 4th Floor
Madison, Wisconsin 53703

10-4 TOW LLC

FINANCIAL STATEMENTS

EXHIBIT B
to *10-4 TOW* Franchise Disclosure Document

10-4 TOW LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2023

(With comparative financial information for the years ended December 31, 2022, and 2021)

(With Independent Auditors' Report Thereon)

KPM Accounting & Management Solutions
11040 Bollinger Canyon Rd., Suite E-164 • San Ramon, CA 94582
Telephone 415.819.6718 • www.kpmcpas.com

10-4 TOW LLC

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KPM Accounting & Management Solutions
11040 Bollinger Canyon Rd., Suite E-164 • San Ramon, CA 94582
Telephone 415.819.6718 • www.kpmcpas.com

To the Member of
10-4 Tow LLC
Oakland, California

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the accompanying financial statements of 10-4 Tow LLC, which comprise the balance sheets as of December 31, 2023, and the related statements of income, retained earnings, 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 10-4 Tow LLC as of December 31, 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 10-4 Tow LLC 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 10-4 Tow LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 10-4 Tow LLC 's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about '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.

Report on Summarized Comparative Information

We have previously audited 10-4 Tow LLC's December 31, 2022, financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 16, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the December 31, 2022, audited financial statements from which it has been derived.

KPM Accounting & Management Solutions

KPM Accounting & Management Solutions

San Ramon, California

February 19, 2024

10-4 Tow LLC
(A California Limited Liability Company)
BALANCE SHEET
DECEMBER 31, 2023 and 2022

ASSETS

	2023	2022
Current assets:		
Cash and cash equivalents	$ 52,109	$ 99,116

LIABILITIES AND MEMBER'S EQUITY

	2023	2022
Liabilities:		
Accounts payable	$ 35,027	$ 72,013
Equity:		
Member's equity	17,082	27,103
Total liabilities and member's equity	$ 52,109	$ 99,116

See accompanying notes to financial statements.

10-4 Tow LLC
(A California Limited Liability Company)
STATEMENTS OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023
(With comparative financial information as of December 31, 2022 and 2021)

	2023	2022	2021
Revenue:			
Referral revenue	$ 944,292	$ 496,699	$ 410,492
Miscellaneous income	15,337	-	-
Total revenues	959,629	496,699	410,492
Operating Expenses:			
Accounting	2,144	7,349	3,433
Advertising	613,131	406,993	257,895
Automobile	6,293	3,983	6,737
Bank charges	12	23	77
Computer and internet	1,775	-	2,711
Consulting	242,082	1,659	123,447
Donations	9,000	6,000	4,610
Dues and subscriptions	1,757	1,331	-
Equipment	1,271	-	-
Insurance	6,940	7,415	7,907
Legal fees	3,311	2,977	960
Licenses and permits	751	549	624
Meals and entertainment	3,396	259	-
Miscellaneous	-	-	81
Office supplies	4,009	402	671
Postage & delivery	258	-	-
Rent and occupancy	55,405	41,787	18,360
Tax preparation	4,070	-	-
Telephone	2,661	1,101	300
Travel	9,684	6,252	1,096
Total expenses	967,950	488,080	428,909
Operating (loss) / income	(8,321)	8,619	(18,417)
Other expense / (income)			
Taxes	1,700	2,652	3,210
Net (loss) / income	$ (10,021)	$ 5,967	$ (21,627)

See accompanying notes to financial statements.

10-4 Tow LLC
(A California Limited Liability Company)
STATEMENT OF CHANGES IN MEMBER EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023
(With comparative financial information as of December 31, 2022 and 2021)

	Member Capital	Accumulated (Deficit)	Total Member Equity
Balance at January 1, 2020	$ 100,100	$ (50,060)	$ 50,040
Net (loss)	-	(7,277)	(7,277)
Balance at December 31, 2020	$ 100,100	$ (57,337)	$ 42,763
Net (loss)	-	(21,627)	(21,627)
Balance at December 31, 2021	$ 100,100	$ (78,964)	$ 21,136
Net income	-	5,967	5,967
Balance at December 31, 2022	$ 100,100	$ (72,997)	$ 27,103
Net income	-	(10,021)	(10,021)
Balance at December 31, 2023	$ 100,100	$ (83,018)	$ 17,082

See accompanying notes to financial statements.

10-4 Tow LLC
(A California Limited Liability Company)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
(with comparative financial information as of December 31, 2022 and 2021)

	2023	2022	2021
Cash flows from operating activities:			
Net (loss) / income	$ (10,021)	$ 5,967	$ (21,627)
Adjustments to reconcile net income to net cash provided by operating activities:			
Increase/(decrease) in liabilities			
Accounts payable	(36,986)	32,188	30,984
Accrued liabilities	-	-	(2,545)
Net cash (used for) / provided by operating activities	(47,007)	38,155	6,812
Net (decrease) / increase in cash and cash equivalents	(47,007)	38,155	6,812
Cash and cash equivalents, beginning of year	99,116	60,961	54,149
Cash and cash equivalents, end of year	$ 52,109	$ 99,116	$ 60,961

See accompanying notes to financial statements.

10-4 TOW, LLC
(A California Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(With comparative financial information as of December 31, 2022, and 2021)

(1) DESCRIPTION OF OPERATIONS

10-4 Tow LLC ("the Company") was formed in California on January 25, 2018 as a Limited Liability Company under the Beverly-Killea Limited Liability Act and the Revised Uniform Limited Liability Company Act. The specific business purposes and activities of the Company consist of vehicle towing and roadside assistance for the public.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Company considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The Company maintains its cash in a bank deposit account, which is federally insured, up to $250,000.

(b) Income Taxes

Earnings and losses of limited liability companies are included in the personal tax returns of the members and taxed depending upon their personal tax situations. Therefore, no provision or liability for federal income taxes has been included in the financial statements.

(c) Revenue Recognition - Recently adopted accounting pronouncements.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU represents a single comprehensive model to recognize revenue to depict the transfer of promised goods or services to a customer at an amount that reflects the consideration it expects to be entitled to in exchange for those goods or services. ASC 606 breaks out the contract process in five steps as follows:

1. Identify the contract with a customer.
2. Identify the distinct, separate performance obligations in the contract.
3. Determine the transaction price for each separate performance obligation.
4. Allocate the transaction price across the contract's separate performance obligations.
5. Recognize revenue when or as the entity satisfies a performance obligation.

ASU 606 is effective for annual periods beginning after December 15, 2019. The Company adopted ASU 606 on January 1, 2020. There are no retrospective changes to members' equity because there were no franchise fees received for the years ended December 31, 2023, 2022, and 2021. Going forward the Company is looking at each franchise agreement to determine the performance obligations in each franchise agreement, the timing of satisfaction of performance obligations, the transaction price and the amounts allocated to performance obligations.

- Non franchise referral fee revenues are recognized when the services are provided. The Company refers work to other tow companies from their customer based generated leads and receives a referral fee. Referral fee revenues totaled $944,292, $496,699, and $410,492 for the years ended December 31, 2023, 2022, and 2021, respectively.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(d) Advertising

Advertising is used to promote business for the Company. Advertising costs are for Google Ads and are expensed as incurred. For the years ended December 31, 2023, 2022 and 2021, advertising costs were $613,131, $406,993, and $257,895, respectively.

(e) Reclassifications

Certain reclassifications have been made to prior year financial statements to conform to the presentation used in the current year financial statements.

(f) Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(3) FRANCHISE AGREEMENT

The terms of the franchise agreement are as follows:

- The Company will grant the right to use the Company name, trademark, and system in the franchisee's franchise development business.
- The franchisee is obligated to pay a monthly royalty fee. Certain other fees are also outlined in the agreement.
- The franchisee is obligated to pay a non-refundable initial franchise fee.

The initial franchise fee payable for a 10-4 Tow franchise is $2,500. The fee is payable in installments by deducting 5% of the gross receipts collected from customers that are referred by 10-4 Tow LLC. Once the initial fee is paid in full, the 5% deduction is discontinued. A total estimated investment can range from $4,250 to $17,400, depending on the types of additional services, equipment, and supplies needed. The total range does not include rent or lease deposits.

(4) SUBSEQUENT EVENTS

The Company has evaluated subsequent events through February 18, 2024, the date on which the financial statements were available to be issued. No subsequent events were identified that required accrual or disclosure in the financial statements.

10-4 TOW

FRANCHISE AGREEMENT

EXHIBIT C
to *10-4 TOW* Franchise Disclosure Document

10-4 TOW SM

Franchise Agreement

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Exhibits

10-4 TOW®

This Franchise Agreement is effective on ______________________________ and is entered into by 10-4 TOW LLC., a California Limited Liability Company, whose address is 1941 Jackson Street, Unit 4, Oakland, CA 94612, referred to in this Agreement by words such as "we", "us" and "our" and ____ a(n) _________________________________, whose address is __________________________ ____, referred to in this Agreement by words such as "you" and "your" and who together are jointly referred to as "the parties".

<u>*Basis of Relationship*</u>:

As a *10-4 TOW* franchisee you will provide automobile roadside assistance and towing services to the general public. We provide marketing and referral services to provide you with customers. We make efforts to enhance our name recognition and goodwill in order to be a valued resource to the motoring public through our Marketing Assets. Collectively these activities and others that may be developed in the future, as well as our names and marks and the method of operating a *10-4 TOW* business, are referred to in this Agreement as "the *10-4 TOW* System". We have invested time, effort and resources in the development and improvement of the *10-4 TOW* System and its names, marks, procedures, specifications, techniques, systems and information. You desire to be a *10-4 TOW* franchisee in order to take advantage of the *10-4 TOW* System.

By entering into this Agreement you recognize the benefits to be derived from being licensed to use the *10-4 TOW* System and its proprietary information. You desire to become associated with us and the other *10-4 TOW* franchisees, collectively referred to in this Agreement as "the *10-4 TOW* Network".

<u>*Some Definitions*</u>:

A. If more than one person signs this Agreement the words "you", "your" and similar words refer to all of those people as well as to all of the owners of any entity that is a party to this Agreement.

B. "Affiliates" means any entity by which we are owned, which we own or with which we are under common ownership.

C. In this Agreement when we refer to "Proprietary Assets" we mean to all of the trademarks, trade names, service marks, logotypes, other commercial symbols, processes, procedures, formats, software, equipment specifications, trade secrets, trade practices, copyrights, patents, supplier lists, client lists, manuals, online portals, forms, advertising and promotion material and practices, merchandising techniques, communications, training material, goodwill and all other tangible and intangible property that we license you to use now and in the future in connection with your *10-4 TOW* business.

D. In this Agreement when we refer to "our manual or our manuals" that reference includes all of the manuals and materials that contain proprietary information we provide to you as part of our franchise relationship in whatever formats they are provided, including electronically.

E. As used in this Agreement "days" means calendar days.

F. "Marketing Assets" means all business-generating assets and activities employed by us including personal and business relationships, customer goodwill, insurance company accounts and referrals, Internet, print, broadcast, telephone, public relations, web sites, URLs, e-mail addresses, Google and other search engine listings and reviews, listings and reviews on Yelp, Angie's List and the like, all other electronic media-based methods of communication and other assets created and/or used by us in connection with the performance of our services. It shall also include all newly-installed land lines and telephone numbers, new mobile telephone numbers, call centers and other telephone, and telephone number-based communications methods and the like.

G. "Gross Revenues" means the amount received from all products and/or services whether for cash, on credit or for other consideration. Credit transactions are considered made when the transaction giving rise to the extension of credit occurs and not when, or if, payment occurs. Credit card and other credit transactions result in "gross revenues" in the full amount of customers' purchases without any allowance for bad debts, uncollectible accounts or credit card fees and charges.

H. "Drivers" means those who operate tow trucks for you whether as employees, contractors or in any other capacity.

In consideration for the mutual promises in this Agreement, as well as for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and with the intent to be legally bound, we mutually agree as follows:

1. Incorporation of Recitals and Your Warranties

This section incorporates the statements set forth above so that they are part of the Agreement.

1.1. The statements above are true and are incorporated into this Agreement by reference.

1.2. You warrant to us that you have fully and truthfully set forth all of the information we have requested in your application, financial disclosure forms and all other communications between us. If you do not want to make these assurances, we cannot award you this franchise.

1.3. You represent and warrant that you operate a business of the type being franchised by this Agreement and that you are not in violation of any laws, regulations or rules applicable to your business. You warrant that you are aware of no liabilities, or threatened liabilities, affecting you or your business other than those incurred, or to be incurred, in the normal course of your business.

2. Your Representations and Grant of Franchise

This section contains the basic grant of your franchise rights and some related terms.

2.1. Based on the above representations and warranties, we hereby award you a nonexclusive license to use the Proprietary Assets and the *10-4 TOW* System for the term set forth in this Agreement, but only as long as you comply with all of the terms and conditions of this Agreement and this Agreement is not sooner terminated as specified below.

2.2. The franchise we award you is only for the operation of a single *10-4 TOW* business that will be located at the address we designate or approve.

2.3. The award of this franchise does not give you the right to use the Proprietary Assets or any of them, at any other location, for any other purpose or in any other manner except as otherwise permitted by this Agreement. The award of this franchise does not carry with it any right to additional *10-4 TOW* locations or activities nor any options, rights of first refusal or similar preferential rights to further *10-4 TOW* locations or activities no matter where located.

2.4. You agree to use the Proprietary Assets only as specified in this Agreement.

2.5. You agree that the Marketing Assets are our property and will remain so during the term of this Agreement, any renewals, replacements or extensions of this Agreement and after the termination or expiration of this Agreement.

2.6. You agree not to use the name "10-4 TOW" or any name similar to it, in the name of any corporation, limited liability company or other entity in which you own an interest whether it currently exists, is formed to own and operate your *10-4 TOW* business or otherwise. You also agree not to use the name "10-4 TOW" or any similar name, in connection with any activity in which you engage except your *10-4 TOW* business.

2.7. You acknowledge that we have advised you to obtain the advice of competent legal counsel when reviewing this Agreement and any other contracts you propose to enter so that you will understand fully your rights and obligations under this Agreement and such other contracts.

3. Initial and Ongoing Fees

This section describes the initial and ongoing fees you pay in connection with the grant of this franchise.

3.1. <u>Initial Franchise Fee</u>: You agree to pay us a franchise fee of $2,500.00. The franchise fee is payable in installments equal to 5% of the gross receipts you collect from customers referred to you by us which amount will be added to your Referral Fee payments, as described in Section 3.2 below, until the franchise fee is paid in full.

3.2. Referral Fee: You also agree to pay us 50% of the gross revenues you receive from customers, insurance providers and others who engage or pay for your services to the extent the work originated through referral of the customer or payment source—such as an insurance company, national account or the like—to you by us through our call center and any other referral mechanism we employ to solicit and refer customers to you. In addition to charges for towing services, the Referral Fee shall include all gross revenues you collect for other goods and services, such as amounts for vehicle storage, repair, servicing and any other revenues derived from customers we refer to you.

3.3. The Referral Fee is payable by the Tuesday of each week based on your gross receipts for the prior week. We will specify the method of payment which we can modify periodically in our discretion.

4. Term of the Franchise and Renewal Options

This section describes the term of this Agreement, your option to enter into a new Franchise Agreement with us when that term ends and the circumstances under which we can refuse to grant you a new franchise.

4.1. The initial term of this franchise is 1 year from the date you begin business under the *10-4 TOW* name. However, if you do not begin business under the *10-4 TOW* name within 3 months from the effective date of this Agreement we can terminate this Agreement.

4.2. This franchise is not renewable. However, if you wish to enter into a new Franchise Agreement with us to take effect upon the expiration of this Agreement, you can do so but only under the following conditions:

(a) You must give us notice in writing of that you wish to enter into a new Franchise Agreement not less than 6 months prior to the scheduled expiration date of the term of this Agreement;

(b) You must not be in default under any of the provisions of this Agreement or any other agreement between us or between you and any of our affiliates at the time of your notice and at the effective date of your new Franchise Agreement;

(c) You must not have been given 2 or more notices of default during the term of this Agreement even if the defaults have been cured;

(d) You must have substantially complied with the terms and conditions of all agreements with us and with our affiliates during the term of this Agreement. A determination of your compliance is within our sole and absolute discretion but that discretion will be exercised by us in good faith;

(e) All of your monetary obligations to us and our affiliates must have been paid when due or within the applicable cure period throughout the term of this Agreement and all obligations to us and our affiliates must have been satisfied prior to the new term;

4.3. You must sign the Franchise Agreement we are using for new franchisees before your new term begins, which agreement may contain terms materially different from those in this Agreement. If we are not offering new franchises at the time, we can specify the form of Franchise Agreement that will be required for the new term.

(a) The form of Franchise Agreement that will be used for your new term will be given to you at least 60 days before the new term is to begin so that you can review it. You agree to sign your new Franchise Agreement at least 30 days before your current franchise term expires. If you do not, you will be deemed to have withdrawn your request to obtain a new franchise. If that should happen, your franchise will expire at the end of its current term.

(b) When your new Franchise Agreement is signed, it will supersede the terms of this Agreement as of the effective date. You will not be required to pay a new initial franchise fee in connection with your new Franchise Agreement.

(c) We will perform no new initial services for you in connection with the new Franchise Agreement. However, if we feel that you or any of your drivers should take additional training from us, you agree to do so, and have those drivers do so.

4.4. In connection with obtaining a new Franchise Agreement you must sign a general release of all claims against us and our affiliates, except for obligations noted in the release, so that we do not start the new term with unresolved issues between us. Our current release form appears as Exhibit 4 to this Agreement.

4.5. During any term, you can only elect to obtain the next term, not any subsequent term.

5. Business Location and Territory

This section describes the location of your business and maintaining a professional atmosphere.

5.1. You receive no exclusive or protected territory. You can operate in any area and we, our affiliates and our other franchisees can operate in any area. However, you may not operate from a location other than the one we have approved for you as discussed in Section 2.2 above, and in the sections below.

5.2. You must have a physical office, the location and attributes of which we must approve, from which you operate your business. Your approved business location will be indicated on Exhibit 2 to this Agreement. If you have an existing principal place of business, you can continue to use it as the principal place of business of your *10-4 TOW* business. If you do not have a principal place of business, we will rent a space for you and sublease it to you. The sublease we use for this purpose is attached to this Agreement as Exhibit 3

5.3. If you want to move to a new location, we must approve that location prior to your beginning business at that location.

6. Equipping Your *10-4 TOW* Business

This section discusses the type of computer system, software and other office equipment you need for your 10-4 TOW business.

6.1. You agree to obtain and maintain a unique telephone number for your *10-4 TOW* business. This number must be used only for your *10-4 TOW* business.

6.2. You agree to maintain your *10-4 TOW* office and your equipment, decor and furnishings in a high condition of safety, cleanliness, repair and appearance and to replace promptly anything that is not capable of being maintained in that condition.

6.3. If we specify software that you must use in connection with your *10-4 TOW* business, you agree to make sure it is properly installed on your computer system. To maintain compatibility within the *10-4 TOW* Network and to sustain the functionality of your systems, you agree to maintain, upgrade or otherwise change your computer software, hardware, peripherals, printer and communications equipment according to the specifications we periodically provide.

6.4. You must have the ability to process credit card payments using the equipment you are using when you sign this Agreement. We have the right to specify other equipment for this purpose from time to time and you agree to comply with our requirements in this regard.

7. Training

This section describes the initial and ongoing training that we provide.

7.1. Since you are currently in the towing business, our initial training is limited. We will review with you certain safety guidelines and procedures guided by the procedures and requirements of the California Tow Truck Association (CTTA) and the California Highway Patrol (CHP). The training will take place at your business location and should not take more than one day.

7.2. If you are a sole proprietor and you do not satisfactorily complete our training course, we can terminate this Agreement. If this franchise is owned by an entity, such as a partnership, limited liability company or corporation and the person initially sent to training does not complete our training course in a satisfactory manner, the entity can send another owner of the entity to training, although we can charge for our expenses in that event. If that person does not complete our training course in a satisfactory manner, we can then terminate this Agreement. If any other person you bring to our training course does not complete the course in a manner we find reasonably satisfactory, you agree not to employ that person in your business in a supervisory capacity.

7.3. All who attend our training must sign our nondisclosure agreement. This agreement will contain provisions designed to maintain the confidentiality of our training material and the other confidential information we provide. A copy of the agreement we currently use for this purpose can be found as Exhibit 5 to this Agreement.

7.4. Other than to the extent we train your drivers, the training of your drivers is your responsibility. You agree to provide adequate initial and on-going training for your drivers so that they perform their duties in a competent manner and in compliance with the requirements of this Agreement, our manuals and our other directives. We can specify the training that must be provided to your drivers, including any online training we indicate.

7.5. If at any time we reasonably determine that any of your personnel are not able to perform their tasks adequately, you agree to promptly retrain those people. If we still find them to be unable to perform their tasks, we have the right to require any or all of those people to attend our training course or the portion of that course that we designate, at the times and places we specify. If we do so, you agree to pay our expenses in providing the training and the salaries, benefits and expenses of your personnel in connection with the additional training.

7.6. During the term of this Agreement, we may offer additional training for your benefit and for the benefit of your drivers. You and such of your drivers as we designate, must satisfactorily complete any mandatory training at the times and manner we require.

(a) We can offer refresher courses, seminars, conventions, meetings and similar programs for you and/or your drivers. In addition to system-wide meetings, we may sponsor any regional training seminars or other meetings in the region in which your 10-4 TOW business is located.

(b) If you or your drivers attend any of our meetings, you agree to pay your own travel, meals, lodging and other travel-related expenses and those of your drivers.

(c) We can conduct these meetings wholly or partially by means of webcast or by means of similar media. If we do so, you agree to view the programs we specify and have your drivers view the programs we specify that they should watch.

8. Operations, Obligations and Assistance

This section discusses our manuals, the operation of your business and the ongoing assistance we provide, among other things.

8.1. During the term of this Agreement we will maintain a call center, or similar service, to receive customer inquiries and requests for service and assistance. We shall have complete and absolute discretion regarding directing customers to you and our other franchisees as well as to our own facilities and those of our affiliates. We shall have the right to direct customers seeking to contact you to other *10-4 TOW* facilities if, in our sole and absolute discretion, you are unable to service those customers promptly and in a professional manner.

8.2. You agree to provide such reports as we may reasonably request concerning customers we refer to you, the services performed for such customers and the amounts charged to those customers.

8.3. We shall conduct such advertising, marketing and other such activities, including obtaining one or more listings on Internet search engines, as we determine in our sole and absolute discretion.

8.4. You are not prohibited from accepting work from customers that contact you directly. You only pay the Referral Fee on business which we send to you, including repeat business from individual customers who we originally sent to you even if they contact you directly for the subsequent work.

8.5. Compliance with the *10-4 TOW* System:

(a) You agree to follow all systems, procedures, techniques, practices and other facets of the 10-4 TOW System that we periodically specify.

(b) You agree to cooperate, and to have your drivers cooperate, with us and with our representatives in all matters related to your 10-4 TOW business and your compliance with this Agreement.

8.6. Protection of Trade Secrets:

(a) The manuals, material, software and information that we provide to you contain our trade secrets and other proprietary information (referred to as "our confidential information"). You agree not to disclose our confidential information to persons we do not authorize to receive it. You also agree to use your best efforts to prevent unauthorized disclosure of our confidential information by your drivers, agents and others over whom you have control.

(b) You agree to take reasonable steps to safeguard any material that we designate as being part of our confidential information. You agree not to copy or otherwise duplicate our confidential information except as we may direct or approve in writing.

(c) If we so direct, all those in your employ who have access to our confidential information must sign a confidentiality and nondisclosure agreement in the form we specify before you grant them access to our confidential information

(d) You agree to return to us all copies of material containing our confidential information including that which contains our trade secrets, as well as returning to us our proprietary software, manuals and other material you obtain from or through us promptly upon the expiration or termination of this Agreement and at the other times we may request.

(e) After the termination or expiration of this Agreement, you agree not use or disclose our confidential information for any purpose unless we agree to that disclosure in writing.

8.7. Ongoing System Development:

(a) We have the right to make additions, deletions, modifications and/or other changes to our manuals, products, services, materials, software, confidential information, processes, systems, techniques, sources, supplies and all other aspects of the 10-4 TOW System and to specify additional, different or other requirements for you to use and follow.

(b) You agree to comply with the modifications of the 10-4 TOW System at the times and in the manner we specify.

8.8. What You Can Provide:

We will specify the services you are allowed to provide and the merchandise you are allowed to carry as part of your *10-4 TOW* business. You agree not to provide any services or carry or sell any merchandise other than as we specify or otherwise approve in advance in writing.

8.9. Limitation on Sales:

(a) We, our affiliates and other persons and entities we or they authorize have the right to sell merchandise bearing the 10-4 TOW name and marks or any names or marks similar or related to the name 10-4 TOW, to independent retail outlets, at wholesale, by means of catalogs, by electronic means, including over the Internet, by mail order and/or other alternate means of distribution. You acknowledge that no payment is due to you from us, our affiliates or any other person or entity on account of those sales.

(b) You are authorized to sell merchandise and provide services bearing the 10-4 TOW name and marks or any names or marks similar or related to the name 10-4 TOW only to retail customers. You cannot sell any merchandise at wholesale or in job lots, to independent retail outlets, at wholesale, by means of catalogs, by electronic means, including over the Internet by mail order, and/or other alternate means of distribution.

8.10. Pricing:

(a) Unless we require certain prices to be charged for specified goods or services, the prices you charge to your customers are up to you. If we consult with you regarding prices or if we suggest prices to you from time to time you are under no obligation to follow any such recommendations or suggestions unless we specify otherwise in writing.

(b) If we do direct that the charge for any goods or services you provide to customers shall be sold at a minimum or maximum price, you agree to follow our requirements in that regard.

8.11. Your Team:

(a) You agree to inform us of the identity, experience, background and training of all of the people you employ in a supervisory capacity in your 10-4 TOW business.

(b) You agree to make sure that your personnel exercise the standards of appearance, cleanliness, demeanor and customer service that are specified in our manuals and other directives, including wearing such uniforms as we may specify.

(c) You agree to supervise your drivers so that they will conduct themselves in a way that will enhance the operation and image of your 10-4 TOW business and the 10-4 TOW Network.

(d) You agree to advise us of any limitations on the authority of your supervisory personnel. In the absence of that advice, we can rely on the obligations and commitments undertaken by your supervisory personnel on your behalf and those commitments will be binding on you.

(e) No one who works for you are to be considered our employees and none of the people who work for us are to be considered your employees.

(f) You agree to comply with all employment-related laws, regulations and practices and to indemnify and defend us against any claims that you have not done so, including claims alleging that we are responsible in any way for your employment practices, employment law compliance or other actions or inactions concerning your drivers because of our franchisor-franchisee relationship, the requirements of this Agreement, our manuals or directions, the assistance we provide to you or our supervisory activities.

(g) You agree to have criminal background checks conducted on all of those work for or with you who will have contact with the public to the extent allowed by law. You agree not to work with any persons whose background includes matters that may make them a risk to you or your customers.

8.12. Purchases of Goods and Services:

You may purchase items bearing our names and marks only from us, our affiliates or from suppliers we have approved. We can limit such suppliers as to the items they can provide to 10-4 TOW businesses.

8.13. Ongoing Assistance and Advice:

(a) If you request our assistance and advice in connection with the general day-to-day operation of your 10-4 TOW business, we will respond to you within a reasonable time during our normal business hours.

(b) We can send one or more representatives to visit your 10-4 TOW business at the times we determine in our discretion. We need not inform you in advance of these visits. Upon prior notice, you agree to be present during the visits of our representatives. You agree to use your best efforts also to have available during our visits the other people we request. You agree that you and your drivers will cooperate fully with our representatives during their visits.

(c) If we notify you at any time of defects, deficiencies or unsatisfactory conditions in the operation of your 10-4 TOW business, you agree to make any necessary corrections promptly and in the manner we specify.

(d) If you request a special visit by one of our representatives and we agree to the visit, we can condition the visit on such prerequisites as we may determine, such as the prepayment or the reimbursement of the travel and other expenses of our representative and/or a set payment for each day of our representative's visit.

8.14. Quality Control and Compliance:

You agree that we can take any action we desire in order to insure that your customers are satisfied with your services and products and that you are operating your 10-4 TOW business as required by this Agreement. In this regard, you agree that we can contact your present and former customers and people who work, or have worked for or with you, in order to conduct surveys, deal with complaints and for any other reason. In addition, you agree that we can employ "secret shoppers", or their equivalent, to observe and report on the services and goods provided by your 10-4 TOW business.

8.15. National Accounts:

(a) "National Accounts" are customers or prospective customers of the 10-4 TOW Network who have fleet or similar vehicles who may need 10-4 TOW services as well as other affiliated users of towing and related services, such as insurance companies, auto clubs and the like.

(b) If we establish a National Accounts program, the prices to be charged or discounts to be provided to customers participating in that program will be set by us. You agree to adhere to the pricing and discount terms we specify for the National Accounts program. If you are allowed by law not to participate in such a program or not to adhere to the prices or discounts we specify and elect not to so participate, we can indicate to National Accounts customers that you are not a participant in the program or do not have to abide by the prices and discounts we have agreed with the National Accounts customer to provide. Alternately, we can direct such customers to our, our affiliates and/or our other franchisees facilities rather than to you for such service and/or products.

8.16. Compliance with Law:

(a) You agree to obtain and maintain at your expense all licenses and permits required for the operation of your 10-4 TOW business and the activities you undertake pursuant to this Agreement.

(b) You agree to operate your 10-4 TOW business in compliance with all laws, statutes, ordinances, rules, regulations, orders by government officials and the like, including those that are related to employment, labor, health, safety, the environment and hazardous or toxic materials whether those laws, statutes, ordinances, rules, regulations, orders and the like now exist or are enacted or issued at a later time. You agree to be responsible for the consequences of any noncompliance both during the term of this Agreement, any extensions or renewals of this franchise and thereafter.

(c) You agree to comply immediately with the orders and directives of government officials in the conduct of their official duties pertaining to the operation and conduct of your 10-4 TOW business. You agree to notify us immediately of any significant governmental orders or directives you receive, the reasons for them and the corrective action you have taken or plan to take related to them.

8.17. Ownership of Developments Related to the *10-4 TOW* System:

(a) If you or anyone employed by or affiliated with your 10-4 TOW business develops any inventions, discoveries, concepts, procedures, systems, practices, techniques, products, writings, designs, services, systems or the like related to the 10-4 TOW System (collectively referred to as "ideas"), you agree to advise us promptly in writing of the ideas.

(b) You agree not to implement any ideas until we authorize you to do so in writing. It is within our complete and absolute discretion whether to authorize the use and/or dissemination of the ideas, and, if we do so, the manner of their use.

(c) Except as otherwise limited by law, the ideas that you, your drivers, affiliated persons or your agents develop in connection with the 10-4 TOW System are our property. You agree that we are not obligated to pay you or any person or entity employed by or affiliated with you on account of any ideas developed by you or by that person or entity whether or not we use, disseminate, authorize or otherwise employ the ideas.

8.18. Managing Agent:

(a) If a partnership, corporation, limited liability company or other entity owns this franchise, you agree to designate one person to be the principal agent of the entity. This is the person who will deal with us in connection with your franchise, your 10-4 TOW business and your compliance with this Agreement. This person is referred to in this Agreement as your "managing agent". You warrant that your managing agent will have the authority to speak for and bind your entity in all matters pertaining to this Agreement and your 10-4 TOW business. You further warrant that we can rely on that authority until we are notified in writing of a change in your managing agent.

(b) If your managing agent is removed, resigns or otherwise ceases to be your managing agent, you agree to replace your managing agent immediately and to notify us of the identity and contact information of your new managing agent.

(c) If we so require, your managing agent, and any person by whom your managing agent is replaced, must attend such training at the time, for the duration and at the location we specify and must complete that training to our reasonable satisfaction as a condition of him or her being your managing agent.

(d) Your managing agent cannot be a person who was a 10-4 TOW franchisee or who was the manager of a 10-4 TOW business that had its Franchise Agreement terminated because of a default nor can your managing agent be any other person to whom we have a reasonable basis to object.

9. Advertising and Promotion

This section discusses the marketing of your 10-4 TOW business, the prerequisites to any marketing you do in connection with your business and your use of the Internet and other alternative media.

9.1. For the good of the *10-4 TOW* Network, all of your advertising, promotion and public relations activities which identifies you with the *10-4 TOW* Network, including participation in charitable events and donations made to charities, must be consistent with our image and must reflect favorably on the *10-4 TOW* name. For the protection of our trademarks and service marks, you agree to discontinue any advertising or activity to which we object. We have complete and absolute discretion in deciding whether to require you to stop using any such material, or engaging in any such activity, program or plan even if we have previously approved it.

9.2. If they mention the name *10-4 TOW* or are otherwise identifiable with the *10-4 TOW* Network, we can require that you to submit to us, prior to use copies of all advertising, promotion and public relations plans, material and programs you want to use or in which you want to participate, as well as any causes to which you want to contribute or in whose activities you want to otherwise participate, and describe to us by what media your advertising will be published, the amount you plan to spend for each advertisement, the nature of each promotional, or public relations event, item and program, the charities to which you propose to donate or in whose activities you wish to participate using your business name and all other relevant information, including any other information we request. If we require, you agree not to use any such item, participate in any program, make any donations, undertake any participation without our prior written consent and to follow our other requirements in this regard. We can withdraw any consents or approvals we have given at any time and you agree to following our directions in this regard.

9.3. In the manner described in our manual, we will provide you with one page on our website for the promotion of your *10-4 TOW* business. We have the right to specify or otherwise approve the design, appearance and content of your web page. You agree not to initiate or authorize the appearance of your *10-4 TOW* business on any website we do not expressly approve in advance.

9.4. We will provide you with one or more e-mail addresses. You agree not to use any e-mail address not expressly approved by us in conjunction with your *10-4 TOW* business. You agree not to use any e-mail addresses, Internet domains, URLs or IP addresses provided by us or associated with the *10-4 TOW* Network in conjunction with bulk e-mail or any other activity that could result in restriction of *10-4 TOW* e-mail or web traffic or blacklisting or negative publicity. If any of your activities on the Internet or otherwise, causes the interruption of our ability to send or receive e-mail, Internet access or use or causes an adverse impact on the *10-4 TOW* name, Network or System, you agree to reimburse us for all reasonable costs, including attorneys' fees, required for us to reinstate the interrupted activity or access or to clear and restore the *10-4 TOW* name.

9.5. Without our permission you agree that you will not register, purchase or use any Internet domain names that could reasonably be confused with any element of our Proprietary Assets. If you do so, at our request you will transfer the rights to any such domain names to us without cost.

9.6. Upon the expiration or termination of this Agreement, any sites, domain names and all other identifying names, marks, symbols, telephone listings and other means of identification that use the *10-4 TOW* name, or that may otherwise be confused with our name and system, that you have used in connection with your *10-4 TOW* business will become our property and must be transferred to us in the manner we direct.

9.7. You agree to use any intranet, extranet or the like that we maintain for the use of *10-4 TOW* franchisees only in the manner we specify. You further agree not to inform any third person, other than those we authorize in writing, how to access or derive information from our nonpublic sites. The manner of accessing and obtaining information from our nonpublic sites, as well as the information contained on those sites, are our trade secrets and are subject to the provisions regarding trade secrets and confidential information set forth elsewhere in this Agreement.

9.8. You agree to follow all of our policies and procedures concerning your use of the Internet, other electronic media and any other means or media not otherwise specified in this Agreement whether that media exists now or in the future. These will policies and procedures will be set forth in our manuals and periodic directives.

10. Use and Protection of our Names, Marks and Symbols

This section describes the nature of the trademark license we grant to you and the protection of our names and marks.

10.1. You are licensed to use only those trademarks, trade names, service marks, logotypes, symbols and designs ("the Marks") listed on Exhibit 1 below or that we otherwise specify in writing from time to time even if they are less than all that we own or otherwise have the right to use.

10.2. You acknowledge that your use of the Marks is nonexclusive and that we and our affiliates can use, and can license others to use, the Marks in any manner or at any place except as may limited by this Agreement.

10.3. From time to time we may license you to use additional trademarks, trade names, service marks, logotypes, symbols, designs, patents, copyrights, and/or other commercial property pursuant to the terms of this Agreement. That license, or those licenses, will pertain only to those items, and only to the extent, we specify in writing in connection with the grant of the concerned license or licenses. If we require you to use one or more additional trademarks, trade names, service marks, logotypes, symbols, designs, patents, copyrights, and/or other commercial symbols in connection with the operation of your business, you agree to bear the cost of using such additional items in accordance with our directives.

10.4. (a) In the event you become aware of any claim of infringement resulting from, or other challenge to, your use of any of the Marks or any of our other intellectual property, you agree immediately to notify us of the facts concerning the claim or challenge. We have sole discretion as to what action to take, if any, regarding any claim or challenge. You agree to join as a party to any such action or to allow the action to be brought solely in your name, but only when, as and if we require.

(b) We will have sole control over every legal, administrative and other action of any type concerning the Marks and our other intellectual property. In the event of any legal, administrative or other action concerning the enforcement or defense of our rights, we agree to bear the legal fees and court costs incurred in the handling of the matter.

(c) We agree to pay all damages for which you are held liable in any proceeding involving your right to use the Marks and our intellectual property but only on the condition that you have used the Marks and our intellectual property in strict accordance with this Agreement, our manuals and our other directives, have promptly notified us of any challenge to your use of our Marks and intellectual property and fully cooperate with us in the handling of any such proceeding concerning the Marks.

(d) We have sole discretion as to what legal, administrative or other action to take, if any, against any third person or entity who may be making unauthorized use of the Marks or our other intellectual property. You agree to cooperate fully with us in our handling of any such proceeding.

(e) If we elect to take action against a third party in any matter concerning the Marks or our other intellectual property, you agree to join as a party to the action or to allow the action to be brought solely in your name, but only when, as and if we require. We will bear all legal costs in connection with any such action.

10.5. (a) If it becomes advisable at any time in our sole discretion to modify or discontinue the use of any of the Marks and/or any of our other intellectual property, you agree to comply with our directives in that regard at the time and in the manner we indicate.

(b) In the event we require you to modify or discontinue the use of any of the Marks and/or any of our other intellectual property, our sole obligation will be to reimburse you for your reasonable out of pocket costs in connection with that compliance, but only to the extent that such costs are for the replacement of tangible items bearing the concerned names, marks and/or designs and provided that your compliance is in accordance with our directives, such as in the liquidation of existing supplies of distinctively marked materials, the disposition of signs, the replacement of advertising and promotion material and so forth. We will not be obligated to reimburse you for the replacement of any items bearing our names or marks as long as you have been given a reasonable time to use up items that are consumed in the normal operation of your 10-4 TOW business or to amortize the cost of such items that are not capable of such use.

(c) If we are required to use a name other than 10-4 TOW for your business because, in our judgment, another person or entity has prior rights to that name, we both agree to try to find a name for you to use to which we mutually agree. We each agree not to unreasonably withhold our consent to any name proposed by the other under these circumstances. If we cannot mutually agree to the replacement name within a reasonable period of time, either of us can terminate this Agreement.

10.6. (a) You agree to make no application for registration or other protection of the Marks or any of our other intellectual property or any items similar to them, without our prior written consent and then only upon the terms and conditions we specify.

(b) You agree to take no action that will interfere with our right in and to the Marks and our other intellectual property, their use by our affiliates and/or by those we or our affiliates authorize.

(c) You agree not to contest the validity or ownership of any of the Marks and our other intellectual property or to assist anyone else in doing so.

10.7. If we so direct, you agree to give the notices, file the forms and take any other action we reasonably require in connection with your use of the Marks and our other intellectual property.

10.8. In connection with your use of our intellectual property, you agree to show all of the symbols and display all of the legends we specify indicating that any mark, name, logotype or symbol is a trademark or service mark, is copyrighted or is otherwise subject to protection under the law and is owned by us and/or by our affiliates.

11. Insurance

This section describes the insurance you are required to maintain during the term of this Agreement.

11.1. Before you begin your 10-4 TOW business, you agree to obtain, and while this Agreement is in effect maintain, commercial general liability insurance covering property damage and personal injury liability in the minimum amount of $1,000,000 for each occurrence with a $2,000,000 general aggregate written using a Garage Liability form. This coverage may be obtained with a combined single limit for bodily injury and property damage. Your insurance also must cover all of your business locations.

11.2. You must also maintain a Garagekeepers policy to cover customer vehicles in your care, custody and control. This policy must have primary coverage for vehicles in storage in the minimum amount of $100,000. Additionally, this policy must have coverage of at least $100,000 for "on-hook" liability.

11.3. Since you and your drivers will use a vehicle in connection with your *10-4 TOW* business, you must also obtain and maintain automobile liability insurance covering all owned, hired and non-owned vehicles in a minimum amount of $1,000,000 combined single limit for each accident. Your coverage must have "on-hook" cargo liability of not less than $100,000.

11.4. Your insurance policies must comply with the following requirements:

(a) Your insurance carrier must have and maintain an A. M. Best rating of at least "A-X" or its equivalent

(b) If your policy includes a coinsurance clause, an agreed amount endorsement must be added.

(c) The deductible portion of any claim or loss under any of your insurance policies cannot exceed $1,000 without our prior written consent.

(d) Your insurance policies must be written as primary policies regardless of whatever other policies you carry or those carried by us or our affiliates.

(e) Your liability insurance policies must be written on an "occurrence" and not on a "claims made" basis.

(f) You insurance must contain a waiver of subrogation endorsement in favor of 10-4 TOW LLC.

11.5. You agree that those who work for or with you are covered by workers' compensation insurance as required by law. Employer's liability insurance shall be obtained in an amount of not less than $1,000,000 per accident for bodily injury by accident and $1,000,000 per employee for bodily injury for and by disease.

11.6. You acknowledge that the limits on your insurance policies do not limit your liability to us under your indemnification obligations under Section 12 below or your other obligations under this Agreement.

11.7. (a) You agree at your expense to name us, those of our affiliates that we may specify and our and their officers, directors, shareholders, members and employees as additional insureds on each of your policies of liability insurance including your general liability, vehicle liability, Garagekeepers and any umbrella liability policies you carry. We can designate other entities and/or persons to be named as additional insureds on your insurance policies from time to time and you agree to include those persons or entities on your policies at your expense.

(b) You agree to have your insurance carriers provide each additional insured with a certificate of insurance evidencing the required coverage. You agree to give at least 30 days prior written notice to each additional insured if the policy in which such persons or entities are named is to be canceled or not renewed.

(c) You agree to provide us with copies of those of your insurance policies that we request.

12. Relationship of the Parties and Indemnification

This section confirms that our relationship is that of franchisor and franchisee and describes our mutual indemnification obligations.

12.1. (a) In all matters you are an independent contractor. Nothing in this Agreement, in the relationship created by this Agreement or elsewhere constitutes either of us as agents of or partners or joint venturers with each other.

(b) You are solely responsible for all taxes, liens, assessments, costs, expenses, debts, salaries, benefits, accounts, liabilities, charges, duties, compliance, intentional acts, negligence, errors, omissions, imposts, fees, damages and all other obligations of every kind involving the payment of money or performance of any other nature incurred in, resulting from or otherwise related to the operation of your 10-4 TOW business.

(c) We each agree not to represent ourselves as other than franchisor and franchisee. If for any reason you are legally determined to be our agent because of something you did or did not do, you agree to indemnify us against any liability, cost or expense, including attorneys' fees, which we incur as a result of that finding.

12.2. Except for any liability or cost directly resulting from your following our specific directions, you agree to defend, indemnify and hold us harmless from and against any and all losses, liabilities, damages, costs and expenses, including attorneys' fees, resulting directly or indirectly from, or in any way pertaining to, the operations, sales, policies, procedures, practices, actions, inactions, hiring practices, employment practices, employer or employee conduct, personnel policies, legal compliance and all other activities of your *10-4 TOW* business, including your intentional acts and negligence and those of your agents, officers, directors, partners, shareholders, members, owners, employees or any others with whose conduct you are chargeable. You also agree to indemnify us against all costs, taxes and expenses for which you are responsible in connection with the operation of your *10-4 TOW* business and your other activities. However, we will be responsible for, and will indemnify you against, any loss, cost or damage resulting from your compliance with our policies, procedures and directives but only as long as you have complied with our requirements at the times and in the manner we require.

12.3. (a) If you become aware of any claim or potential claim against which we have indemnified you, you agree to notify us promptly of the details of the claim. We agree to defend you against the claim at our expense with counsel of our choosing. You agree to cooperate with us, our attorneys, our insurers and our and their investigators in connection with the investigation and defense of any such claim. If we are defending you in any action, we agree not to settle the matter until you approve the terms of the settlement. We cannot commit you to making any expenditure or taking or withholding any action as a part of any settlement without your prior written consent.

(b) If we become aware of a claim or potential claim against which you have indemnified us, we will notify you of the claim or potential claim. You agree to defend us against the claim at your expense with counsel of your choosing. However, in the event that the claim is one that can affect more than one 10-4 TOW franchisee, we can take over the defense of the matter with counsel of our choosing but you will still be responsible for a pro rata portion of the costs of the defense, including attorneys' fees. If you are defending us in any action, you agree not to settle the matter until we approve the terms of the settlement. You cannot commit us to making any expenditure or taking or withholding any action as a part of any settlement without our prior written consent.

(c) We both agree not to unreasonably withhold or delay our consent to the settlement of any matter in which we have the right to approve the settlement as specified above.

13. Transfer of the Franchise

This section describes the procedure to be used to transfer this franchise your ability to compete with us and other matters.

13.1. When we refer to a "transfer" we mean any transfer, assignment, sale, change of ownership or other disposition of this franchise whether it occurs voluntarily or involuntarily. "Transfer" also means the transfer, issuance or reacquisition of any shares in or the merger, acquisition, consolidation, other restructuring or recapitalization of any corporation, limited liability company or other entity that owns this franchise as well as the addition or transfer of any interest in any entity that owns an interest in this franchise.

13.2. (a) If you are an individual or partnership, you can transfer this franchise to a corporation, limited liability company or other business entity wholly-owned by those who owned the franchise before the transfer. This type of transfer will not require our approval or the payment of the transfer. However, you must notify us of the proposed transfer before it is completed so that we can send any documents we require to reflect the change of ownership.

(b) In the event of a transfer of the type specified in subsection (a) above, those owning the entity to which this franchise is transferred must agree that:

(i) They will own the entity in the same proportion as they currently own this franchise;

(ii) The share or ownership certificates of the entity will show that there are transfer restrictions under this Section 13; and

(iii) Before the completion of the transfer, you and the other owners of the new entity must sign the documents we require concerning the transfer such as a transfer agreement.

13.3. Other than as provided above, you can only transfer this franchise with our prior written consent whether the concerned transfer is voluntary or involuntary, such as by legal process or the foreclosure of a security interest. Any transfer of which we do not approve in advance in writing is not binding on us and is grounds for the termination of this Agreement.

13.4. (a) In determining whether the proposed transferee is acceptable, we will consider, among other things, our then-current standards for new *10-4 TOW* franchisees, including such things as the transferee's net worth, creditworthiness, background, training, personality, reputation and business experience.

(b) So that we can review the qualifications and financial condition your proposed transferee, you agree to provide us with all of the information we reasonably request about the proposed transferee. Until all of the information we request is provided, we are not obligated to take any action on the transfer application.

13.5. You may finalize the proposed transfer only when you receive our written approval of the prospective transferee. After you receive our approval, you agree to follow the transfer procedures, sign the transfer documents and perform the other actions regarding the transfer that we specify.

13.6. As a condition of our approving your transferee, unless your transferee is an existing *10-4 TOW* franchisee and we waive this requirement, your transferee must complete our training course or so much of it as we require and complete it to our reasonable satisfaction. If your transferee is required to complete our training course but does not do so to our reasonable satisfaction, you cannot complete the transfer or, if the transfer has already taken place, you must retake the franchise and the business from your transferee. Your purchase and sale agreement with any proposed transferee should reflect this requirement.

13.7. (a) As a condition of our approving any transfer that results in the cumulative transfer of 50% or more of the interest of the owner of this franchise or the ownership interests of the owners of any entity that owns this franchise, but in any event prior to your transferee being provided with our training materials, you or your transferee must pay us a transfer fee of $2,500.00 to compensate us for reviewing and approving the transferee, providing training and for our other activities in connection with the transfer.

(b) Once your transferee begins our training course, or in any event once the transfer transaction is closed, the transfer fee is not refundable even if the transfer is not completed or is later rescinded.

13.8. You must sign a general release of all claims, except for obligations noted in the release, before you complete any transfer so it is important that we resolve any disagreements prior to the transfer.

13.9. You agree not to use this franchise as security for a loan or otherwise encumber this franchise. You do not have the right to grant a sub-franchise or to franchise, license or permit anyone else to use any of the Proprietary Assets. You cannot make partial transfers of the rights granted to you under this Agreement.

13.10. We can transfer our rights in this Agreement in whole or in part without your consent. However, we agree that any such transfer will not interfere in a material manner with your receipt of the benefits granted to you by this Agreement.

13.11. (a) The interest of an individual owner of this franchise or that of the owner of any interest in any entity with an interest in this franchise is transferable by will or by intestate succession. Those interests are also transferable by court order to a guardian if the owner is found to be legally incompetent. However, if there is a transfer because of death or legal incompetence, that transfer is subject to all of the conditions and requirements concerning transfers described in this Section 13. As such, we must approve the potential transferee and, if the appropriate conditions apply, the transferee must satisfactorily complete our training course. In addition, the transfer fee described above is payable in connection with the transfer.

(b) If we do not approve a potential transferee who proposes to take the interest proposed to be transferred as a beneficiary under a will, by intestate succession or because of legal incapacity, the decedent's or incompetent's estate can sell the concerned interest to a transferee acceptable to us within the remaining term of this Agreement. If an approved transfer of this franchise is not completed within the remaining term of this Agreement, your estate will not be given the right to sign a Franchise Agreement for a new term and this Agreement will end upon the expiration of its current term.

(c) During the period following the death or legal incapacity of the owner of this franchise, the decedent's or incompetent's estate must continue to comply with the terms of this Agreement.

13.12. If a court of competent jurisdiction orders a transfer of all, or any interest in, this Agreement, any entity with such an interest or in a material portion of the property used in your *10-4 TOW* business to a spouse, domestic partner or their equivalent, that order will constitute a proposed transfer and will cause the transfer to be subject to all of the terms and conditions concerning transfers described in this Section 13. However, if we have trained the transferee and he or she has been active in the operation of your *10-4 TOW* business, we will not require the payment of a transfer fee in connection with the transfer.

14. Defaults, Ability to Cure, Termination and Remedies

This section describes the circumstances under which we can terminate this Agreement and the consequences of that termination.

14.1. We can terminate this Agreement without giving you an opportunity to correct a default under any of the following circumstances:

(a) If you or any entity with an interest in this franchise is declared bankrupt or judicially determined to be insolvent or if all or a substantial part of your 10-4 TOW business property or that of the concerned entity is assigned for the benefit of creditors or if you or the concerned entity admit an inability to pay debts as they become due;

(b) If you or any of the owners of any entity that owns an interest in this franchise has made a material misrepresentation relating to the acquisition of this franchise;

(c) If you or any of the owners of any entity that owns an interest in this franchise engages in conduct that reflects upon the operation and/or reputation of your 10-4 TOW business, the 10-4 TOW System or the 10-4 TOW Network in a materially adverse manner;

(d) If you fail to cure any violation of a material federal, state or local law or regulation applicable to the operation of your 10-4 TOW business within the time period allowed to cure the noncompliance;

(e) If during any 12-month period you receive 2 or more notices of valid defaults under material provisions of this Agreement even if the defaults have been cured within the time limits allowed in the notices;

(f) If a levy of execution has been made upon your interest in this Agreement, any interest in any entity that owns an interest in this franchise, any of the Proprietary Assets, your 10-4 TOW franchise rights or your 10-4 TOW business or any of them are seized, taken over or foreclosed by a government official in the exercise of his or her duties or are seized, taken over or foreclosed by a creditor, lienholder or anyone else and you or the entity is not restored to possession of that property within 5 days of the levy or seizure;

(g) If a final judgment against you or any entity with an interest in this franchise remains unsatisfied for 30 days unless an appropriate appeal bond has been filed;

(h) If you or any partner, officer, director, shareholder, member or owner of any entity that owns an interest in this franchise pleads guilty or nolo contendere to or is convicted of a felony of any type or any other criminal misconduct that is relevant to or that reflects adversely upon your 10-4 TOW business or the 10-4 TOW System or Network;

(i) If you fail to pay any initial, ongoing or other fees, charges or other amounts due to us or our affiliates when they are due but in any event within 10 days after receiving notice that the sums are overdue;

(j) If we make a reasonable determination that continued operation of your 10-4 TOW business will result in an imminent danger to public health or safety;

(k) Except as otherwise provided in this Agreement, if anyone who is required by the terms of this Agreement to complete our training course fails to complete that course at the time and in the manner required unless you are allowed to send a substitute who does complete that course in the required manner;

(l) If you intentionally underreport your gross receipts for any period in any amount or if you underreport your gross receipts in excess of 10% in any period whether or not the underreporting is intentional unless you can show that you were the innocent victim of a crime by the third party who caused you to underreport your receipts;

(m) Except as allowed by this Agreement, if you or any partner, shareholder, member or owner of any entity that owns an interest in this franchise attempts or purports to sell, transfer, assign or otherwise dispose of all or any part of their interest in this franchise, the concerned entity or any of the Proprietary Assets or if you or any such person attempts or purports to license, subfranchise, assign, authorize or otherwise permit any unauthorized person or entity to use or participate in any way in the rights, assets or property licensed to you under this Agreement or if you disclose any of our proprietary, confidential or trade secret information except as allowed by this Agreement;

(n) If at any time you advise us of your unwillingness or inability to go forward with any of your obligations under this Agreement or you are unable or unwilling, in our reasonable judgment, to do so;

(o) If you abandon the business by failing to operate it for 5 consecutive days during which you are required to operate the business, or any shorter period after which it is not unreasonable under the facts and circumstances for us to conclude that you do not intend to continue to operate the business under this franchise unless that failure is caused by fire, flood, earthquake or similar cause beyond your reasonable control; or

(p) If the transfer or sale of any rights upon death or a declaration of incompetence is not accomplished within the time periods and in the manner required by this Agreement.

14.2. In addition to the grounds for immediate termination described in Section 14.1 above, we can terminate this Agreement immediately if you violate any other agreement between us or between you and any of our affiliates, including any other Franchise Agreement between us, and that violation is not cured within the time period allowed by the concerned agreement.

14.3. If you have committed a violation under this Agreement and that violation does not result in immediate termination, the correction the default must be accomplished to our reasonable satisfaction within 20 days after you are given written notice describing the violation and the corrective action that must be taken to cure the default, if any corrective action is possible. If no corrective action is possible, we can terminate this Agreement without providing you with an opportunity to cure.

14.4. If a curable default is of such a nature that more than 20 days are reasonably required to cure the default, you will be given such additional time as may be necessary in our reasonable judgment to cure the default provided that the corrective action is started within the initial 20 day period following notice and is pursued diligently to completion.

14.5. If we elect not to enforce any of the applicable immediate termination provisions of Sections 14.1 or 14.2 or if any of those terms are not enforceable under applicable law, the provisions of Section 14.4 will apply to the concerned event or events of default.

14.6. If a default under this Agreement is not cured within any time period allowed for the correction of the default, the termination of this Agreement will occur upon notice to you pursuant to Section 18 below.

14.7. If you maintain that we are in violation of any material term of this Agreement, you agree to give us written notice of the claimed default. We will have 20 days after receipt of that notice within which to correct any actual condition of default. However, if the default is of such a nature that more than 20 days are reasonably required to cure the default, we will have such additional time as may be necessary in our reasonable judgment to cure the default provided that the corrective action is started within the initial 20 day period following notice and is pursued diligently to completion. If we do not cure the claimed default within the required time period, you can pursue all rights allowed to you under applicable law.

14.8. (a) When this Agreement ends for any reason, including its termination for default or its expiration at the end of its term, you agree that you will without delay:

(i) Bring all accounts with us and our affiliates current;

(ii) Stop using the Proprietary Assets, including our trade names, trademarks, service marks, logotypes, commercial symbols, designs, copyrighted material, confidential information, trade secrets, proprietary material and other intellectual property and the email addresses we have provided for you, our web site and other domain names and addresses associated with the *10-4 TOW* Network and the *10-4 TOW* System;

(iii) If you have a business location available to the public, change the physical attributes of the location to the extent necessary to distinguish its appearance from that of a *10-4 TOW* business. You must discontinue any activity that would tend to identify your business in the mind of the public as continuing to be affiliated with the *10-4 TOW* Network.

(iv) Return to us our manuals, software and all other material, and all copies of that material, that you obtained from or through us.

(v) At our election, assign us your telephone listing and telephone number, your *10-4 TOW*–related business Internet addresses, domain names and listing and all similar listings in the manner we specify; and

(vi) Cancel any fictitious business name and equivalent registrations or listings using the *10-4 TOW* name or otherwise indicating that you are affiliated with the *10-4 TOW* Network;

(b) When this Agreement ends, you also agree to notify all of your suppliers, customers, utilities, landlords, creditors and concerned others that you are no longer affiliated with the 10-4 TOW Network;

(c) After the termination or expiration of this Agreement, you agree not to identify any present or future business, yourself or any entity that owned an interest in this franchise, as having been associated with the 10-4 TOW System or the 10-4 TOW Network except as may be required for nonpublic purposes, such as in employment or financing applications or as otherwise required by law.

14.9. If you default under this Agreement you agree to pay us immediately all fees and other amounts due to us under this Agreement as of the date of termination in addition to all other damages caused to us by virtue of your default.

14.10. After you have satisfied all of your payment and performance requirements following the termination or expiration of this Agreement, we both agree to sign a release that will relieve us both from further liability to each other, except for those items noted in the release and your continuing obligations that apply following the termination or expiration of this Agreement, such as your promise not to use or reveal our trade secrets and confidential information.

14.11. In addition to the remedies set forth above, in the event of your breach of this Agreement we will have all other remedies available to us at law or in equity.

14.12. Upon the termination, non-renewal or expiration of this Agreement for any reason, no payment is due to you on account of any goodwill, going business value, equity or other intangible asset or assets claimed as arising from your operation or ownership of your *10-4 TOW* business or otherwise. Any claimed increase in the value of the goodwill associated with the trademarks, service marks, logotypes, symbols and any other intellectual property we have licensed to you claimed to have occurred because of the operation of your *10-4 TOW* business belongs to us and you hereby assign any such increase to us without cost.

14.13. All of the provisions of this Agreement that apply by their terms or by implication following the end of this Agreement will survive the termination or expiration of this Agreement, including your obligation to protect our trade secrets and other confidential information and material.

15. Covenants Not to Compete

This section discusses limitations on your ability to compete with us during the term of this Agreement.

15.1. In this section "you" also means those with any interest in this franchise or in any entity with an interest in this franchise.

15.2. Since you will have obtained valuable information concerning the operation of the *10-4 TOW* System and the *10-4 TOW* Network, you agree that, except as otherwise permitted by this Agreement, during the term of this Agreement and any extensions or renewals of this franchise you will not have an ownership interest in, operate, be employed by, serve as a consultant to, be an officer, director, franchisor or a franchisee of or otherwise take part in the operation of a business a principal activity of which is the providing of services substantially similar to those provided by your *10-4 TOW* businesses except for any other *10-4 TOW* business which you operate pursuant to a valid existing Franchise Agreement with us.

15.3. You agree not to divert any customer we send to you to a competitor, to perform services for that customer other than through your *10-4 TOW* business or to take any other steps that result in the proceeds from your *10-4 TOW* services being attributed other than your *10-4 TOW* account.

15.4. You agree not to induce or attempt to induce any of our employees and others with whom we or they work,, those of our affiliates or of another *10-4 TOW* franchisee to leave that person's employment during the term of this Agreement, any renewals or extensions of this franchise or within 1 year after this Agreement ends or you transfer it.

15.5. The foregoing covenants to the extent they apply following the termination, expiration or transfer of this Agreement or the transfer of any interest in any entity that has an interest in this franchise shall survive the termination, expiration or transfer and they will apply regardless of whether this Agreement ended at the conclusion of its term, was terminated due to the default of either party or for any other reason.

15.6. If a court tribunal of competent jurisdiction determines that the foregoing covenants cannot be enforced as written, the court tribunal is authorized to alter the terms of these covenants to the extent necessary to permit the covenants to be enforced to the greatest extent possible.

16. Dispute Resolution

This section discusses how we will resolve any disputes between us and certain conditions applying to disputes.

16.1. (a) If there is ever any dispute or claim between us related to this Agreement, its terms, its inducement or its breach by either of us, except for those described below, before taking any further action the parties agree to refer the matter to mediation pursuant to the rules of JAMS, a dispute resolution company.

(b) You agree to attend or to have a member of your senior management attend the mediation on your behalf. You agree that the person who attends the mediation on your behalf will have the authority to settle the dispute on your behalf.

(c) Unless we both agree otherwise at the time, the mediation will be limited to one day with the costs of the mediation divided equally between us.

(d) If any party that is required to attend the mediation refuses to attend and/or participate in it in good faith, that party will be responsible for the costs incurred by the other party or parties in connection with the mediation, including any action to compel attendance at a subsequent mediation, as well as reasonable attorneys' fees, mediation charges for the original and subsequent mediation, travel and living costs, and so forth. If the mediation cannot proceed because either party refuses to attend and/or participate in good faith, the mediation requirement need not occur if the other party so agrees but the party refusing to attend and/or participate will still be responsible for the costs and expenses described above.

16.2. The parties agree that the foregoing provisions will not apply to the portion of any dispute that involves claims by more than one *10-4 TOW* franchisee, those for which class action certification is possible, those involving the validity of our trademarks, service marks, logotypes, or other commercial symbols, or disputes involving claims under state or federal antitrust and/or other trade regulation laws.

16.3. Nothing in this Section, or elsewhere in this Agreement, will prevent either of us, without prior resort to the mediation procedure set forth above, from seeking a temporary restraining order, a preliminary and a permanent injunction to prevent or remedy any irreparable injury or damage, including, on our part, to our trademarks, trade names, service marks, logotypes, commercial symbols, goodwill, trade secrets, or other of our intellectual or proprietary property, to the *10-4 TOW* System or *10-4 TOW* Network.

16.4. The parties agree that the venue of any legal action or mediation involving this Agreement or any of the transactions concerning it, its inducement, execution, interpretation, or breach, shall be in the city in which our main business office is located. You hereby consent to the jurisdiction of the courts and the mediation tribunals located in that city and agree to be subject to them.

16.5. In the event either of us files an action against the other concerning the inducement, execution, breach, compliance with or enforcement of this Agreement or otherwise related to our franchise relationship, the court shall designate one or more of the parties as the "prevailing party" and shall award the prevailing party its reasonable attorneys' fees, expert witnesses' fees and court costs in the matter.

16.6. We both agree to the following:

(a) Neither party shall be entitled to punitive or exemplary damages against the other;

(b) Any claim either of us may have against the other will expire 1 year from the date the claim arises unless through the exercise of reasonable diligence the complaining party could not have learned of the claim in which case the 1-year period will begin when the complaining party learns of the claim or through the use of reasonable diligence could have learned of the claim.

17. Modification of This Agreement

This section describes how this Agreement can be modified.

17.1. This Agreement can be modified only by a written document signed by all of the parties to this Agreement.

17.2. We can modify our manuals, operating procedures and all other aspects of the *10-4 TOW* System. You agree to follow those changes at your expense at the times and in the manner we direct subject to the limitations of this Agreement.

17.3. No course of dealing, temporary concession, alleged custom, practice or the like at variance with the terms of this Agreement will modify this Agreement or the rights and duties of the parties unless the modification is made in writing and is signed as required above.

18. Notices and Approvals

This section provides how notices, approvals and consents are given, transmitted and when they are effective.

18.1. In order to be effective, all notices, approvals and consents required by this Agreement or related to it must be in writing. Notices, approvals and consents may be sent electronically, such as by facsimile transmission or electronic mail as long as the method of electronic communication creates a record that can be retained, retrieved and reviewed by the you and can be directly reproduced in paper form through an automated process. Notices of default under this Agreement may be sent electronically but shall also be sent by hard copy by means of certified mail, return receipt requested, or by a national overnight delivery service for delivery on the next business day after receipt by the service.

18.2. Notices, approvals and consent shall be deemed to have been received by the addressee at the earlier of:

(a) When actually delivered to the addressee or when delivery by certified mail or overnight delivery service is attempted and receipt is refused by the addressee or is not possible because the addressee has moved or because the addressee is absent at the place where delivery is attempted;

(b) When an acknowledgment of receipt is signed by the addressee or a duly authorized agent of addressee;

(c) For other than notices of default, the next business day after sent to the addressee by facsimile or by electronic mail or the same day when receipt of such a transmission is acknowledged by the addressee;

18.3. (a) For purposes of notices, approvals, consents, payments, receipts or other communications, the parties designate the addresses listed at the beginning of this Agreement.

(b) Any party to this Agreement can change his, her or its address by giving written notice of the change to the other party as provided above.

19. Heirs, Successors and Assigns

This section makes this Agreement binding on the parties' successors in interest.

19.1. This Agreement is binding upon and inures to the benefit of the parties to this Agreement, any entity with an interest in this Agreement, the owners of any entity with an interest in this Agreement and their respective heirs, successors, representatives and assigns but only on the conditions and in the manner more specifically set forth elsewhere in this Agreement including the transfer requirements above.

20. Waivers

This section discusses the limitations on waivers of rights under this Agreement.

20.1. Except as otherwise provided in this Agreement, the failure by any party to this Agreement to enforce any right that he, she or it may have or to enforce or declare any default by the other party under this Agreement shall not be deemed to be a waiver or abandonment of the right or default unless the right or default is waived by a written document signed by the party who is waiving the right or default.

20.2. The waiver of any right or default in one instance shall not be deemed to be a continuing waiver of the concerned right or default or a waiver of the concerned right or default, or any other right or default, in any other instance.

20.3. The acceptance of money or other performance by either party shall not be a waiver of any right or default other than the one to which that payment or performance pertains and then only to the extent of the payment or performance accepted by the other party.

20.4. If we waive any provisions that are the same as or similar to those in this Agreement for someone other than you or if we engage in a course of conduct at variance with the terms of this agreement, such a waiver or course of conduct will not change or waive any of the provisions of this Agreement.

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

21. Severability

This section seeks to preserve the balance of this Agreement if any portion is not enforceable.

21.1. The invalidity or unenforceability of any portion of this Agreement shall not affect the validity of any other portion and unless the substantial performance of this Agreement taken as a whole is frustrated as a result, this Agreement shall remain in full force and effect.

21.2. Any invalidity or unenforceability of any part of this Agreement in any jurisdiction shall not invalidate that part or any other part of this Agreement in any other jurisdiction.

22. Covenant of Further Assurances

This section requires the execution of any other documents reasonably necessary to carry out the terms of this Agreement and responding to authorized inquiries.

22.1. If, in our reasonable judgment, it is advisable to execute any other and further documents that have not been specifically referred to in this Agreement and are necessary or desirable to carry out the purposes of this Agreement, you agree to execute those documents promptly provided that they do not substantially alter your rights or increase your duties under this Agreement.

22.2. You agree to respond promptly and accurately to all inquiries from our attorneys, accountants, auditors, lenders and others we authorize concerning the status of this Agreement, the status and amounts of any accounts between us, and/or any other matters pertaining to our mutual rights and obligations under this Agreement.

23. Governing Law

This section designates which state's laws govern the interpretation of this Agreement.

23.1. This Agreement and its interpretation shall be governed by the laws of the state of California.

23.2. If a court of competent jurisdiction determines that some or all of this Agreement must be governed by the laws of a state other than California, then the laws of the other state will govern the interpretation of this Agreement to the extent required by that court.

23.3. If applicable law requires there to be terms other than, or in addition to, the terms contained in this Agreement, then the required terms will be considered to be a part of this Agreement but only to the extent necessary to prevent the invalidity of this Agreement or any of its provisions or to prevent the imposition of any civil or criminal penalties or liability.

23.4. To the extent permitted by the laws of the state whose law governs the interpretation of this Agreement, you waive any provisions of law or regulation that renders any portion of this Agreement altered, invalid or unenforceable in any respect.

24. Counterparts

This section makes clear that separate copies of Agreement can be signed by the parties.

24.1. This Agreement may be executed in one or more counterparts all of which shall constitute but one agreement.

25. Headings and Gender

This section limits the language of this Agreement to that intended to be part of our agreement and clarifies some references.

25.1. The headings and section descriptions used in this Agreement are for convenience only and are not to be used in interpreting the provisions of this Agreement.

25.2. You acknowledge that the headings and explanatory comments at the beginning of each section may not completely describe the contents of that section.

25.3. As used in this Agreement the male or female gender shall include the other and the neuter. In this Agreement, the singular shall include the plural and the plural shall include the singular as appropriate.

26. Miscellaneous

This section contains various "housekeeping" provisions.

26.1. Time is of the essence in this Agreement. That means that when a time period is specified for an action or inaction, that time period must be adhered to unless it is waived or modified by the other party or parties in the manner specified in Section 20 of this Agreement.

26.2. In entering into this Agreement neither of us intends to confer any benefit or right on any person or entity not a party to this Agreement except as specified regarding our affiliates. Other than for our affiliates, we both agree that no third party shall have any right to claim any benefit or right as a third party beneficiary under this Agreement or any provision of this Agreement.

26.3. You are not entitled to claim any rights or benefits, including those of a third party beneficiary, under any contract, understanding or agreement between us and any other person or entity unless that contract, understanding or agreement specifically refers to you by name or to a class to which you belong and specifically grants rights or benefits to you or to the concerned class.

26.4. Where a partnership, corporation, limited liability company or other entity is a party to this Agreement, the person or persons signing this Agreement on behalf of the concerned entity warrant to us that he, she or they have the necessary authority to sign this Agreement for the entity. At our request, you agree promptly to provide us with a certified copy of a resolution or other authorization from the concerned entity authorizing the execution of this Agreement and naming the persons who are authorized to sign this Agreement on behalf of the entity.

26.5. You warrant that if you are a partnership, limited liability company, corporation or other entity, that it has been duly organized, is validly existing and is in good standing in the jurisdiction in which it was formed and, if necessary as a condition of doing business there, in the jurisdiction where your business will be located.

26.6. Except as otherwise set forth in this Agreement, no fees, charges or other payments of any kind that you make to us, or that are made on your behalf, are refundable in whole or in part.

26.7. All amounts that you owe us that are past due will be subject to a late charge in the amount of 1 1/2% per month. If the amount of this late charge is not allowed by applicable law, the late charge will be equal to the highest lawful rate on loans between businesses in the state whose law governs this Agreement. Neither because we impose nor because you pay a late charge does that payment waive or otherwise affect any right or remedy that we have under this Agreement or under law except as may be set forth elsewhere in this Agreement.

27. Accord and Satisfaction

This section concerns payments of less than the full amount due.

27.1. Any payment you make to us or to our affiliates, any payment made by anyone for your account or the receipt of any amount of less than that required to be paid, shall not be considered to be anything but a payment on account regardless of any endorsement to the contrary contained on the payment or in any oral or written communication transmitted in connection with the payment.

27.2. Neither any payment made to us or to our affiliates nor the acceptance of a payment by us or our affiliates shall be considered to be a waiver of any of our rights or those of our affiliates to require full payment and performance of all of your duties and obligations under this Agreement or any other agreement under which the concerned obligation arose.

27.3. Neither by endorsing or accepting any check nor by accepting any amount otherwise paid on your behalf are we bound by any claim that the endorsement or acceptance is an accord and satisfaction for less than the full amount due.

27.4. All payments you make to us or to our affiliates and any payments made on your behalf shall be applied first to any late charges and/or interest owing and then to the earliest of the principal amounts due.

28. Joint and Several Liability

This section makes clear that everyone signing this Agreement is responsible for its performance both individually and as a group.

28.1. If 2 or more people, corporations, partnerships, limited liability companies or other entities, or any combination of them, sign this Agreement, the liability of each is joint and several.

29. Our Right to Act

This section gives us the right to perform your obligations if you do not do so.

29.1. If you fail to perform any duty or obligation required under this Agreement, we have the right, but not the obligation, to perform that duty or obligation for your account, on your behalf and/or in your name. If we elect to do so, you agree immediately to pay us all costs and expenses we incur in that performance.

29.2. No action we may take on your behalf under Section 29.1 will amount to a waiver or release of any claims we may have because of your failure to perform the concerned duty or obligation.

30. Entire Agreement

This section makes clear that this Agreement, the disclosure document that accompanied it and any other agreements we both sign contain our entire understanding.

30.1. This Agreement and any other agreements we both may sign as part of this transaction as well as the representations in the disclosure document that we gave you with this Agreement contain the entire understanding between us and include all representations on which we both have relied.

30.2. This Agreement and any other agreements we both may sign as part of this transaction supersede all negotiations, agreements, representations, promises, commitments, inducements, assurances, conditions and covenants between us whether direct, indirect or implied and whether oral or written except for those in the disclosure document that we gave you with this Agreement.

30.3. You also confirm that we have advised you that there can be no guarantee or assurance of sales levels, profitability or success in your *10-4 TOW* business.

30.4. This Agreement and any other agreements we both may sign as part of this transaction are intended to be the entire integration of all of our understandings of every type concerning your *10-4 TOW* business and your rights whether those understandings arose before or at the same time as the execution of this Agreement and any other agreements we both may sign as part of this transaction except for those contained in the disclosure document that we gave you with this Agreement.

30.5. We both confirm and agree that no other agreements, representations, negotiations, understandings, promises, commitments, inducements, assurances, terms, conditions or covenants of any kind exist between us except those in this Agreement, any other agreements we both may sign as part of this transaction and in the disclosure document that we gave you with this Agreement whether they pertain to this Agreement or to any future, further or additional rights of either or both of us or otherwise. To the extent that there may be any agreements, representations, negotiations, understandings, promises, commitments, inducements, assurances, terms, conditions, covenants or the like not contained in this Agreement, in the disclosure document we gave you with this Agreement or in any other agreements we both may sign as part of this transaction, we both agree that they are waived.

30.6. Nothing in this or in any related agreement is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

30.7. YOU CONFIRM THAT WE HAVE ADVISED YOU THAT YOU MUST INSURE THAT ALL PROMISES AND REPRESENTATIONS FOR PRESENT AND FUTURE RESULTS AND RIGHTS, WHETHER ABSOLUTE OR CONTINGENT, ARE CONTAINED IN THIS AGREEMENT OR IN

ANOTHER AGREEMENT SIGNED BY BOTH OF US OR THEY MAY BE LOST.

We both execute this Agreement as of the date first written above.

FRANCHISEE	FRANCHISOR
______________________________	10-4 TOW LLC a California Limited Liability Company
By: __________________________	By: ____________________________
Name: ________________________	Name: __________________________
Title: ________________________	Title: __________________________

Exhibit 1

Licensed Mark(s)

10-4 TOW ®

FRANCHISEE

____

By: ___________________________

Name: ________________________

Title: __________________________

FRANCHISOR

10-4 TOW LLC
a California Limited Liability Company

By: _____________________________

Name: ___________________________

Title: ____________________________

Exhibit 2

APPROVED BUSINESS LOCATION

FRANCHISEE

____

By: ___________________________

Name: _________________________

Title: __________________________

FRANCHISOR

10-4 TOW LLC
a California Limited Liability Company

By: _____________________________

Name: ___________________________

Title: ____________________________

Exhibit 3

10-4 TOW

SUBLEASE AGREEMENT

10-4 TOW

SUBLEASE AGREEMENT

This Sublease is made and entered into on ______________________ by and between 10-4 TOW LLC, a California Limited Liability Company (hereinafter referred to as "Sublessor"), whose address is 1941 Jackson Street, Unit 4, Oakland, CA 94612 and ______________________ __________________________________ whose address is ________________________________ ____, (hereinafter referred to as "Sublessee"), both of which are hereinafter collectively referred to as "the parties".

Recitals of Fact

a. Sublessor is the Lessee (Tenant) in that certain lease agreement dated ___________________________, wherein ____, whose address is ____, is the named Lessor (Landlord), which lease agreement concerns the property described as follows: ____ ____, (hereinafter referred to as "the premises"). A copy of this lease agreement (hereinafter referred to as the "Master Lease"), the terms of which are incorporated into this Sublease Agreement by reference, is attached hereto as Exhibit A.

b. Sublessor is Franchisor and Sublessee is Franchisee in that certain Franchise Agreement dated ___________________________, (hereinafter referred to as the "Franchise Agreement"), which gives Sublessee (Franchisee) the right to operate a 10-4 TOW business in accordance with the terms and conditions of the Franchise Agreement. A copy of the Franchise Agreement, the terms of which are hereby incorporated into this Sublease by reference, is attached hereto as Exhibit B.

c. Sublessor desires to sublease the premises to Sublessee and Sublessee desires to sublease the premises from Sublessor on the terms and conditions set forth herein, solely for the purpose of operating Sublessee's 10-4 TOW business in accordance with the terms of the Franchise Agreement.

NOW, THEREFORE, in exchange for the mutual promises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Incorporation of Recitals. The Recitals of Fact set forth above are true and are incorporated herein by reference.

2. Subleased Premises. The premises described in the Master Lease is hereby subleased to Sublessee for the term and on the conditions set forth herein and Sublessee accepts and agrees to this Sublease on the terms and conditions set forth herein.

3. Term of Sublease. The term of this Sublease shall coincide with the term of the leasehold created by the Master Lease, but shall end one (1) day prior to the scheduled expiration of the term set forth in the Master Lease, including any exercised extensions or renewals thereof, unless sooner terminated as set forth below.

4. Conditions of Sublease. The terms and conditions of this Sublease are the same as those contained in the Master Lease, except as may be modified herein. All of the terms and conditions of the Master Lease are hereby incorporated into this Sublease by reference in their entirety and are hereby adopted by the parties so as to be applicable to them as though they were Lessor (Landlord) and Lessee (Tenant) thereunder respectively; provided, however, that Sublessor does not make any of the representations or assume any of the obligations of Lessor (Landlord) under the provisions of the Master Lease, but does agree to exercise reasonable efforts to cause Lessor (Landlord) to perform its obligations under the Master Lease for the benefit of Sublessee. Sublessor specifically makes no representations or warranties, express or implied, as to the adequacy or condition of the premises.

5. Assumption of Terms. Sublessee hereby assumes all obligations and conditions to be performed by Sublessor under the Master Lease and said obligations shall be owed by Sublessee both to Sublessor and to Lessor under the Master Lease, jointly and severally. However, all payments due under the Master Lease shall be paid by Sublessor directly to Lessor at the times and in the manner set forth in the Master Lease and shall not be obligations of Sublessee. All other performance required of Sublessor under the Master Lease shall be performed by Sublessee at the times and in the manner set forth for such performance under the Master Lease unless directed otherwise by Sublessor. Sublessee agrees promptly to provide to Sublessor copies of all notices sent to Lessor by Sublessee and received by Sublessee from Lessor. If any elections are allowed to or consents and/or approvals are allowed from, Lessee under the Master Lease, Sublessor agrees to consult with Sublessee regarding such elections, consents, and/or approvals prior to the time they are to be made. However, the parties agree that all such elections, consents, and/or approvals only can be executed by Sublessor and may be done or withheld in Sublessor's sole and absolute discretion.

6. Warranties of Sublessor. Sublessor warrants to Sublessee that the Master Lease is in full force and effect and that Sublessor is not in default under any provision, condition or term of the Master Lease.

7. Default. Any of the following events shall constitute a default by Sublessee under this Sublease:

(a) Any event, act, failure to act or other occurrence or nonoccurrence which constitutes a default under the Master Lease, the Franchise Agreement, this Sublease or any other agreement between Sublessor and Sublessee. Any time period allowed for the cure of any default under this Sublease shall be the same as the time period allowed by the agreement the violation of which gives rise to the default, if any such cure is allowed by the concerned agreement.

(b) The expiration or termination of the Franchise Agreement whether by lapse of time, default or for any other reason.

8. Remedies for Breach. Upon any uncured default of this Sublease, Sublessor shall be entitled to all remedies allowed by the Master Lease and/or by law including, at its option, the termination of this Sublease and reentry onto the premises.

9. Notices. Any notices required to be given to either Sublessor or Sublessee pursuant to this Sublease shall be personally delivered, sent by facsimile transmission or sent by certified United States mail, postage prepaid, return receipt requested or any other method allowed by law for service of notices and shall be given at the addresses set forth above or as indicated below:

Sublessee Sublessor

______________________________ __________________________________

________________________________ __________________________________

________________________________ __________________________________

Notices shall be deemed received when personally delivered to the concerned party or an authorized representative thereof, when an acknowledgement of receipt is signed by the concerned party or an authorized representative thereof, when sent by facsimile transmission to a telephone number provided by the addressee for such purpose or five (5) days after the deposit of the notice in the United States mail or when deemed effective by the law pursuant to which the notice was given. Either party may change its address by giving notice to the other party as required herein.

10. Assignment and Subleasing.

(a) Sublessee shall not assign, transfer or sublease this Sublease, the premises or any interest therein, without the prior written consent of Sublessor, which consent can be granted or withheld in the sole and absolute discretion of Sublessor without regard to the reasonableness thereof and also, if required by the Master lease, of Lessor.

(b) Sublessor shall have the right at any time to assign or transfer its interest in this Sublease and/or in the Master Lease without the consent of Sublessee. If Sublessor does assign or transfer its interest hereunder, Sublessee agrees the Sublessor shall be released from any further obligations to Sublessee hereunder as of the effective date of the transfer.

11. Termination of Master Lease. If the Master Lease terminates, this Sublease will terminate and the parties shall be relieved from all liabilities and obligations under this Sublease unless that if this Sublease terminates as a result a default of Sublessee under this Sublease or the Master Lease or both, Sublessee shall be liable to Sublessor and to Lessor (Landlord), as appropriate, for all damages suffered as a result of the default and resulting termination.

12. Covenant of Further Assurances. Sublessee hereby agrees to execute such other documents and to perform all other acts which may be necessary or desirable in the judgment of Sublessor to carry out the purposes of this Sublease.

13. Recordation. Sublessee agrees not to record this Sublease without the prior written consent of Sublessor.

14. Heirs and Assigns. This Sublease shall be binding upon and inure to the benefit of the parties and to their heirs, successors, representatives and assigns, but only to the same extent that the Franchise Agreement inures to the benefit of their heirs, successors, representatives and assigns.

15. Governing Law. This Sublease shall be construed and interpreted in accordance with the laws of the state in which the premises are located.

16. Entire Agreement. This document and those agreements incorporated herein by reference, constitute the entire agreement of the parties concerning the Master Lease, this Sublease and the premises and supersedes all other agreements, promises, representations,

covenants, contracts and the like, oral or written, concerning the subject matter hereof, except those set forth in the Franchise Agreement.

IN WITNESS WHEREOF, the parties have executed this Sublease Agreement on the day and year first written above.

SUBLESSEE	SUBLESSOR
______________________________	10-4 TOW LLC
	a California Limited Liability Company
______________________________	By ___________________________
______________________________	Its __________________________

LESSOR'S CONSENT

The undersigned Lessor (Landlord) hereby consents to the foregoing Sublease Agreement and the terms and conditions set forth therein. Lessor hereby agrees to provide written notice to both Sublessee and Sublessor in the event of any default under the Master Lease. Should Sublessee default in any performance required by the Master Lease, Lessor agrees to allow Sublessor at least ten (10) days in addition to the time set forth in the Master Lease to cure any default under the Master Lease, unless the default is of such a nature that more than ten (10 days are reasonably required for the cure, in which case no default shall be declared if the cure is begun within ten (10) days and is pursued diligently to completion.

IN WITNESS WHEREOF, Lessor executes this Lessor's Consent on

_________________________, at ____.

____

By ____________________________

Its ____________________________

Exhibit 4

10-4 TOW

MUTUAL GENERAL RELEASE

MUTUAL GENERAL RELEASE

This Mutual General Release (‘this Release”) is made on _________________________, by ____, hereinafter referred to as “Franchisee” and 10-Tow LLC, a California Limited Liability Company, hereinafter referred to as “Franchisor”.

This Release is made with reference to the following facts:

A. Franchisor and Franchisee entered into a Franchise Agreement dated _______________________, hereinafter referred to as “the Franchise Agreement”.

B. The Franchise Agreement is for an *10- Tow* business located at ____.

C. As required by the Franchise Agreement or pursuant to another agreement between the parties, the parties desire to enter into this Release.

D. If a party to this Release has claims it wishes to retain, it should not sign this Release or it should make sure the claims are made an attachment to this Release, are exempted from this Release and that the attachment is signed by all parties.

NOW, THEREFORE, in consideration for the mutual release of claims by the parties and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and with the intent to be legally bound, the parties hereto agree as follows:

1. The facts set forth above are true.

2. (a) Except for the obligations undertaken by the parties in this Release, by signing this Release each party hereto forever releases, forgives and discharges the other party, its affiliates and their officers, directors, shareholders, members, employees, agents and others with whose conduct it is chargeable (“the Released Parties”) from any and all liability of any kind and nature whether arising out of the Franchise Agreement, its inducement, execution and performance, the franchise relationship between Franchisee and Franchisor or otherwise, including any and all claims, demands, rights of action, causes of action and liability caused by errors, omissions, intentional acts and negligence of any kind or character whatsoever, that a party may now have or claim to have against the other party. The parties understand and agree that this release covers all claims of every kind and nature, past and present, known and unknown, suspected and unsuspected, except for claims arising pursuant to obligations undertaken under this Release.

(b) If this Release is signed by a resident of California, or if California law is found to be applicable to this Release for any other reason, the parties expressly waive any and all rights or claims under Section 1542 of the *California Civil Code*, that states:

> ***A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.***

3. If any legal action or other action or proceeding is brought for the enforcement of this Release or because of a dispute, breach, default or misrepresentation in connection with any of the duties, obligations, covenants, representations, warranties, performance, promises or provisions of this Release, the party prevailing in that action or proceeding shall be entitled to recover its reasonable attorneys' fees and all other costs incurred in that action or proceeding in addition to any other relief to which that party may be entitled.

4. The parties each warrant and represent they have full power and authority to enter into this Release. Each of the parties warrants to the other that no third party has any interest or right in any claim, potential claim, right of action or cause of action covered by this Release and the consent of no third party is required for the effectiveness of this Release.

5. It is agreed that the agreements and undertakings contained in this Release shall be binding upon the parties and also upon their heirs, successors, representatives and assigns.

6. Unless prohibited by any applicable law, this Release shall be construed and governed by the laws of the state of California. This Release does not release any claims the forgiveness of which is specifically prohibited by any applicable law.

7. Should any provision of this Release be found to be invalid or unenforceable under any law that may be found to govern this Release, such invalidity or unenforceability shall not affect the validity or enforceability of any other portion of this Release and, unless substantial performance of this Release taken as a whole is prevented thereby, this Release shall remain in full force and effect.

8. This Release contains the entire understanding and agreement of the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous negotiations, inducements, assurances, conditions, agreements, contracts, representations, promises, commitments, covenants and understandings between the parties whether direct or implied and whether oral or written.

IN WITNESS WHEREOF, this Release has been duly executed it as of the date first written above.

FRANCHISOR 10-4 TOW LLC	**FRANCHISEE:** ___________________________________
By: ________________________________	By: ________________________________
Name: ______________________________	Name: ______________________________
Title: ______________________________	Title: ______________________________

Exhibit 5

10-4 TOW

CONFIDENTIALITY AGREEMENT

CONFIDENTIALITY AGREEMENT

THIS AGREEMENT is entered into as of _________________, by ____, (referred to in this Agreement by words such as "you" and "your") for the benefit of 10-4 TOW LLC, a California Limited Liability Company (referred to in this Agreement by words such as "we", "us" and "our").

A. We own and/or have a right to disclose certain commercially valuable information which we consider to be confidential;

B. You wish to receive from us, and we are willing to disclose to you, certain of our Confidential Information, as defined below, for the sole purpose of assisting you in the operation of a *10-4 TOW* business

C. By this Agreement, the parties to this Agreement wish to define the rights and obligations of each regarding the use and protection of the Confidential Information.

Now, therefore, in consideration of the mutual promises and covenants contained below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and with the intent to be legally bound, the parties to this Agreement agree as follows:

1. The term "Confidential Information" means all information not generally known to the public in any form whatsoever, including any verbal or written information or any document disclosed to you in any manner by or on behalf of us, including any disclosure by any employee, agent or any other third party, whether that Confidential Information was disclosed prior to, during or after the execution of this Agreement. Confidential Information shall include information about our financial and accounting information; sales data; economic data; business plans; marketing and promotion strategies; business arrangements; customer and supplier lists; operations methods; and any other information or document that is not generally available to the public. All reports, analyses, compilations, data, and other materials that contain or otherwise reflect, or are generated or derived from, such information are also included in the definition of "Confidential Information." You agree that you have maintained in confidence any Confidential Information that you received from us prior to the date of this Agreement.

2. You agree that all Confidential Information supplied to you hereunder shall be maintained in confidence, and not used for any reason whatsoever except as we may authorize in writing and that you will not further disclose, except to the extent permitted under Paragraph 3 below, nor you it otherwise use, any the Confidential Information, without our prior written consent. This Agreement shall continue in full force and effect with respect to any Confidential Information that is not generally available to the public for so long as such portion of the Confidential Information is not generally available to the public.

3. You agree to use a high degree of care and take all reasonable steps to preserve the Confidential Information in confidence and prevent its disclosure to and use by third parties, provided, however, that you may disclose the Confidential Information to those of your employees, contractors and professional advisors who have a need to know, who you inform of the confidential nature of the Confidential Information and are bound in writing by obligations of confidentiality to keep the Confidential Information confidential. You will be responsible for any breach of this Agreement by your employees, contractors or professional advisors.

4. If you are required to disclose any of the Confidential Information pursuant to any judicial or governmental order, you agree not to disclose the Confidential Information without first giving us written notice of the request and sufficient opportunity to contest the order.

5. You recognize and acknowledge the confidential and proprietary nature of any Confidential Information we disclose to you and acknowledge the irreparable damage that could result to us if it is disclosed to a third party, or used for unauthorized purposes, without our prior written consent. Accordingly, in the event of breach or threatened breach of this Agreement, we shall be entitled to seek injunctive relief and/or other appropriate equitable relief without a requirement to post bond.

6. You acknowledge that we are not obligated to supply any Confidential Information under this Agreement. Further, no representation or warranty is made or given about the accuracy or completeness of any Confidential Information or any other information supplied pursuant to this Agreement. We shall have no liability to you resulting from your use of the Confidential Information or any other information or advice provided hereunder.

7. You agree that the Confidential Information remains our property and acknowledge that nothing in this Agreement shall be deemed to grant to you a license directly or by implication, estoppel or otherwise under any trademark, copyright, patent, or other intellectual property right or interest related to any Confidential Information disclosed pursuant to this Agreement.

8. Upon our request, you agree to return to us or to destroy, at our sole option, all tangible copies of the Confidential Information, any computer files or other electronic copies of Confidential Information, and any other materials incorporating any the Confidential Information. Upon our request, you agree to certify to us that you have complied with the aforesaid obligations.

9. This Agreement, and the Franchise Agreement of which it is a part, contains the entire understanding between us relative to the protection of Confidential Information disclosed hereunder. This Agreement is in addition to, and does not supersede, any other confidentiality or other agreements that may exist between the parties. No change, modification, alteration or addition to any provision of this Agreement shall be binding unless in writing and signed by authorized representatives of both parties.

10. This Agreement shall be binding upon the parties and their respective successors and assigns, except that this Agreement may not be assigned by you without our prior written approval.

11. This Agreement shall be governed by and interpreted in accordance with the laws of the State of California.

IN WITNESS WHEREOF, this Agreement is executed as of the date first above written.

____

By: ___________________________

Title: __________________________

Date: __________________________

10-4 TOW

ACKNOWLEDGMENT AT CLOSING

EXHIBIT D
to *10-4 TOW* Franchise Disclosure Document

ACKNOWLEDGMENT AT CLOSING

In this document "Franchisee" means ____ and "Franchisor" means 10-4 TOW LLC.

The execution of documents for the awarding of a *10-4 TOW* franchise to Franchisee finalizes a process in which Franchisee reviews a great deal of information provided by the Franchisor and others. Much of this information has a significant impact upon the transaction. The information considered by Franchisee serves as the basis upon which Franchisee makes a decision whether to purchase a *10-4 TOW* franchise.

Franchisee wishes to enter into a Franchise Agreement with Franchisor for a *10-4 TOW* in ____ (City).

In order to induce Franchisor to enter into the concerned agreement, Franchisee acknowledges that the following statements with regard to the documents, data and other material described below are true and are an accurate reflection of the transaction with Franchisor. If they are not, Franchisee is instructed to insert the correct information where appropriate and to initial and to have Franchisor initial, the changes.

(1) Franchisee received the Franchise Disclosure Document for prospective franchisees at least 14 calendar days prior to the execution of any documents or the transfer of any funds.

(2) Franchisee received all completed contract documents at least 7 calendar days prior to the execution of those documents.

Nothing in this Acknowledgment at Closing will alter the law of the state whose law governs this transaction.

IN WITNESS WHEREOF the parties have executed this Acknowledgment on __________________________________.

FRANCHISEE

______________________________ ______________________________

______________________________ ______________________________

Franchisor acknowledges Franchisee's representations and commitments stated above and based on those assurances, among other things, Franchisor agrees to award Franchisee a *10-4 TOW* franchise.

FRANCHISOR

10-4 TOW LLC

By ______________________________

____

Its _______________________________

STATE EFFECTIVE DATES

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

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

State	Effective Date
California	Pending

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

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If 10-4 TOW 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.

In New York, 10-4 TOW LLC must provide you with this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the Franchise Agreement or other agreement or the payment of any consideration that relates to the franchise relationship.

If 10-4 TOW LLC does not deliver this disclosure document on time or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and your state agency.

The franchise seller with whom you have dealt in connection with this franchise offer is Gavriel Taub, 1941 Jackson Street, Unit 4, Oakland, CA 94612.

The issuance date of this disclosure document is February 26, 2024. The effective dates of this document in certain states are listed on the State-Specific Addendum to this disclosure document as are the franchisor's registered agents for service of process in those states.

I received a disclosure document dated February 26, 2024, that included the following exhibits:

A State Administrators and Agents for Service of Process
B Financial Statements
C Franchise Agreement
D Acknowledgment at Closing

Dated: ________________________

____

By: ________________________________
(Signature)

____
(Print your name and title, if any)

You may return the signed receipt by signing, dating and mailing it to 10-4 TOW LLC at 1941 Jackson Street, Unit 4, Oakland, CA 94612.

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____

By: _________________________________
(Signature)

____
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