

## LICENSE AGREEMENT

**THIS AGREEMENT** is made and entered into this the \_\_\_\_ day of \_\_\_\_\_, 201\_\_ by and between **PERFORMANCE AUTO IV, L.L.C.**, a Utah limited liability company with its principal address at 745 S 1950 W Springville, Utah 84663 (hereinafter "Licensor"), and \_\_\_\_\_ whose address is, \_\_\_\_\_ (hereinafter "Licensee").

### RECITALS

A. Licensor is the sole and exclusive owner of intellectual property involving the "Tunex" brand, including, without limitation, trademarks and logos adopted by Licensor ("Proprietary Marks"), a distinctive lay-out and design for structures and facilities, specially selected equipment and products, including quality and standards, and concepts and methods of operation for a general automotive diagnostic, vehicle maintenance and repair services business embodied in forms, Operating/Training Procedures Manuals ("Manuals"), technical memoranda, advertising, and other documents issued from time to time by Licensor to Intellectual Property Licensees (collectively "Intellectual Property");

B. The Intellectual Property is of considerable value, and the success of the Intellectual Property depends upon the goodwill resulting from consistency and quality of the services and goods which consumers expect to encounter at every Tunex Service Center; and

C. The restriction and controls as established in this Agreement are intended to protect Licensor's rights to its trademarks and to maintain a high level of quality of trademark services and products.

Acknowledging and agreeing to the above Recitals, the parties further agree as follows:

### AGREEMENT

**NOW THEREFORE**, for good and valuable consideration hereinafter set forth, the parties agree as follows:

1. GRANT OF LICENSE.

A. Subject to the terms and conditions of this Agreement, Licensor hereby grants to Licensee the right to use the Intellectual Property and the Proprietary Marks in connection with the development and operation of a Tunex Service Center ("Center") at the location ("Location") to be approved by Licensor in the general area of specified on the Summary Pages ("Area"), and to operate business in conformity with Licensor's Intellectual Property in accordance with procedures prescribed by Licensor. Upon securing the exact Location for the Center, the Location shall be specified on the

Summary Pages and become a part of this Agreement as if originally incorporated herein.

Nothing in this Agreement shall be construed as an assignment or grant to Licensee of any right to convey to any other person or entity, title, or interest in or to the Proprietary Mark, "Tunex", it being understood that all rights relating thereto are reserved by Licensor.

B. Pursuant to the grant of this License, Licensee expressly acknowledges and agrees that this License is nonexclusive and that Licensor retains the right and sole discretion to use and license others to use the Intellectual Property or Proprietary Marks designated for use therewith at any other location.

C. The parties understand and agree that this Agreement includes the right of Licensee to use the names, symbols, and trademarks associated with Licensor's name and Intellectual Property of operation at the Location. Licensee recognizes the great value of the goodwill associated with the name "Tunex" and acknowledges that the name and all rights therein and goodwill pertaining thereto belong exclusively to Licensor. Licensee hereby agrees that every use of the name "Tunex" shall inure to the benefit of Licensor and that Licensee shall not by this Agreement acquire any rights in Proprietary Marks beyond those expressly granted in this Agreement.

D. Licensee agrees that it shall not, while this Agreement is in effect or thereafter, attack the title or any rights of Licensor in and to the name "Tunex" or attack the validity of this license of the use of that name or do anything which would jeopardize or diminish Licensor's rights to or the value of the Tunex name.

E. Licensee shall promptly notify Licensor of any infringement of the Tunex name or Intellectual Property, and Licensor shall have the sole right and duty to decide upon and authorize action to stop the infringement with the cooperation and assistance of Licensee. Upon request from Licensor, Licensee shall take immediate action to enforce the rights of Licensee and Licensor and stop the infringement. If any attack is made on the Tunex name or Intellectual Property, Licensee shall promptly notify Licensor, and Licensor shall have the right, in its sole discretion, to defend the matter.

F. Licensee further acknowledges and agrees that his License relates solely to the Location to be approved by Licensor and affords Licensee no right, title or interest in additional licenses for the operation of other Centers.

G. In the event that the duties set forth herein to be performed by Licensee have not been performed, or there has been a breach of the agreement as between the parties hereto, this Agreement may be terminated upon such a default by Licensee of any of the terms and provisions herein contained, including but not limited to the payment to Licensor of the fees herein provided to be paid by Licensee.

H. Licensor may from time to time, add to, amend, modify, delete or enhance any portion of the Intellectual Property (including any of the Proprietary Marks) as may be necessary in Licensor's Reasonable Business Judgment to change, maintain or enhance the Intellectual Property, trade names or the reputation, efficiency, competitiveness and/or quality of the Intellectual Property, or to adapt it to new conditions, materials or technology, or to better serve the public. Licensee, at its expense, shall fully comply with all such additions or modifications reasonably designated as applicable to then existing Licensees similarly situated.

2. TERM.

A. This Agreement and the Licenses hereby granted shall continue for a period beginning on the Effective Date specified on the Summary pages, and ending on the Expiration Date specified on the Summary Pages, subject to prior revocation or termination in accordance with the provisions of this Agreement.

3. DUTIES OF LICENSOR.

During the term of this Agreement, Licensor shall, at its expense, offer to Licensee the use of the Intellectual Property, subject to the terms and conditions of this Agreement.

4. LICENSE, ROYALTY, ADVERTISING AND OTHER FEES.

In consideration of the License granted herein, Licensee shall pay to Licensor the following fees:

A. A continuing monthly royalty fee, in the amount specified on the Summary Pages. All royalty fees are due, in advance, on the first day of each month.

B. Licensee shall pay to Licensor a continuing monthly advertising fee in the amount specified on the Summary Pages..

C. If the amounts due Licensor are not paid when due as set forth in this Agreement, Licensee shall, after a period of ten (10) days, be obligated to pay to Licensor a late charge equal to five percent (5%) of the amount due and interest at the rate of eighteen percent (18%) per annum commencing on the due date until such amounts are paid.

5. RIGHT OF INSPECTION.

A. Licensor shall have the right to upon Licensee's premises and the Center at any reasonable time for the purpose of ensuring that Licensee is complying with the terms of this Agreement.

6. PROPRIETARY MARKS AND MATERIALS.

A. Licensee hereby acknowledges the validity of, and that the Intellectual Property, trade name, trademarks, service marks and copyrighted materials which are a part hereof, are the sole and exclusive property of Licensor and that nothing in this Agreement shall be construed as granting Licensee or any other person any right, title or interest herein except as expressly granted in this Agreement subject to the conditions and limitations herein contained. Licensee shall not include the word "Tunex" in the name of any Business Entity, including, but not limited to corporations, limited or general partnerships, limited liability companies or trusts. Licensee may use and display the trademark, trade name, service marks and copyrighted materials only in a manner described in this Agreement and in accordance with the integrity of the Tunex Intellectual Property.

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/tunex>