FRANCHISE DISCLOSURE DOCUMENT

NOVUS FRANCHISING 2 LLC
a Delaware limited liability company

650 Pelham Boulevard, Suite 100
St. Paul, MN 55114
952-944-8000
Email: info@novusglass.com
www.novusglass.com
www.novusfranchising.com

The franchise offered is for the operation of a retail or mobile business that provides the public with high quality automotive glass, commercial and residential glass repair and replacement services, and certain other automotive after-market products and services under the name Novus.

The total investment necessary to begin operation of a Novus retail location franchise ranges from $90,000 to $284,590. This includes $50,700 to $77,910 that must be paid to us or our affiliates. The total investment necessary to begin operation of a Novus mobile franchise ranges from $69,500 to $169,390. This includes $50,700 to $65,910 that must be paid to us or our affiliates.

If you sign an Area Development Agreement to develop two or more franchises, you will pay us a fee equal to $10,500, multiplied by the number of franchises you are permitted to develop, at the time you sign that agreement. There is no other initial investment required under that agreement.

This Disclosure Document summarizes certain provisions of our 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 Tammy O'Brien at 650 Pelham Boulevard, Suite 100, St. Paul, Minnesota 55114, telephone: (952) 944-8000.

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

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, 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 may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: March 29, 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 or Exhibits B and C.
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 A 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 Novus 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 Novus franchisee?	Item 20 or Exhibits B and C list 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.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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 Risk(s) to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution**. The Franchise Agreement and Area Development Agreement require you to resolve disputes with the franchisor by mediation generally at least 200 miles from your or our offices, and/or litigation only in Minnesota. Out-of-state mediation or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate or litigate with the franchisor in Minnesota than in your own state.

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

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

NOTICE MANDATED BY SECTION 8 OF MICHIGAN'S FRANCHISE INVESTMENT ACT

The following is applicable to you if you are a Michigan resident or your franchise will be located in Michigan.

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you.

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

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

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

If the franchisee has any questions regarding this notice, those questions should be directed to the Michigan Department of Attorney General, Consumer Protection Division, Attn.: Franchise, 525 West Ottawa Street, Lansing, Michigan 48909, telephone: (517) 373-7117.

NOVUS FRANCHISING 2 LLC
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FRANCHISE DISCLOSURE DOCUMENT

ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

Novus Franchising 2 LLC is referred to in this Disclosure Document as "**Novus**," "**we**" or "**us**." "**You**" or "**your**" means the person or entity that buys the franchise from Novus.

Franchisor, Parents, Predecessors and Affiliates

Novus was organized under the laws of Delaware on April 13, 2017. Our offices are located at 650 Pelham Boulevard, Suite 100, St. Paul, Minnesota 55114, and our telephone number is (952) 944-8000. We do business under the names "Novus," "Novus Franchising" and "Novus Glass." Our company is owned by Mondofix USA LLC ("**Mondofix USA**"), which is owned by Mondofix Inc. ("**Mondofix**"). Both Mondofix USA and Mondofix would be considered parents of ours. The principal address of Mondofix is 99 Émilien Marcoux, Suite 101, Blainville, Quebec, J7C 0B4. The principal address of Mondofix USA is the same as ours.

On or about May 31, 2017, we purchased substantially all of the operating assets of the Novus Glass® franchise system from Novus Franchising, Inc. ("**NFI**"). At the same time Mondofix acquired all of the trademarks, copyrights, and patents used by the Novus Glass® franchise system from NFI's parent, TCG International Inc. ("**TCG**"). Thus, NFI and TCG are considered predecessors of ours. NFI's principal address was the same as our address, and TCG's principal business address is 8658 Commerce Court, Burnaby, British Columbia V5A 4N6, Canada. Except for NFI and TCG, we have no other predecessors. We began offering Novus® franchises in July 2017.

NFI operated and/or franchised Novus Glass® businesses from December 1993 until we purchased the assets of the system.

In January 2015, NFI began offering "Area Development Agreements" that grant franchisees the right to develop 2 or more Novus® retail location businesses. We will continue to offer this program. If you sign an Area Development Agreement with us, you will also sign a separate Franchise Agreement with us for each Novus® business you develop. The Franchise Agreement you sign will be our then-current form of agreement, which may differ from the current Franchise Agreements included with this Disclosure Document.

The franchise you operate will provide glass repair and replacement products and services. Existing franchisees who have only offered glass repair products and services (not replacement) will be offered an addendum when the term of their original franchise agreement expires, which will allow them to continue to offer only glass repair products and services (the "**Repair Only Addendum**") but we do not offer any new "**Glass Repair**" franchises. Certain existing franchisees who own a Glass Repair franchise are currently operating under a franchise agreement that allows them to offer glass replacement services and products as a separate business and not as part of their Novus® Glass Repair franchise. This option will not be offered to new franchisees or franchisees not currently operating a separate glass replacement business. In the past, NFI offered a separate "bolt-on" program to allow parties that operated other automotive related businesses or non-automotive glass businesses to also offer Novus® products and services from their businesses. While NFI and we have always treated this bolt-on program as a franchise, at times, the bolt-on agreement was referred to as a license agreement, and those that signed it referred to as bolt-on franchisees, licensees, affiliates or affiliate licensees. Currently, we do not offer separate bolt-on franchises, but may grant a party with an existing business a Novus® franchise.

As a part of our acquisition of the Novus Glass® system, NFI transferred all Novus Glass® franchise agreements and affiliate licenses to us, and the company-owned businesses were transferred to Speedy Novus Glass, LLC, a Delaware limited liability company ("**Speedy Novus Glass**"), an affiliate of ours. The principal business address of Speedy Novus Glass is the same as ours. As part of this acquisition, Speedy Novus Glass also purchased all the assets of Speedy Glass Franchising Systems, Inc. ("**Speedy Franchising**"). Speedy Novus Glass owns and operates automotive, commercial and residential glass repair and replacement businesses, which are substantially similar to Novus® businesses and referenced in Item 20. As of December 31, 2020, all remaining Speedy Glass franchises had converted to Novus Glass franchises. Except as described above, neither we nor Speedy Novus Glass have offered franchises in any other line of business.

We have 2 affiliates that sell or lease products or services directly to our franchisees.

Novus 2 LLC ("**Novus 2**") is an affiliate of ours that (a) sells resins to us that we resell to our franchisees, and (b) develops and leases windshield repair equipment to Novus® franchisees. It acquired its business from Novus Inc., as part of our acquisition of the Novus Glass® system. Novus 2 also purchased all the assets of Shat R Proof Corp., a Washington corporation ("**Shat R Proof**") when we acquired the assets of the Novus Glass® system. While Shat R Proof did not sell any products or services to our franchisees, it was a distributor of chemicals, equipment and other products that are used for glass restoration, scratch removal, glass repair, and glass replacement. Novus 2 has taken over this business, which distributes a line of these products to us for our distribution under the Novus® brand name. You will purchase these products to operate your Novus® business. Novus 2 also distributes paint restoration products and other products under the name "SRP Paint Restoration Systems" and under other brand names through distributors, licensees, dealerships, corporate locations, franchises, and subdistributors. The principal address of Novus 2 is the same as ours.

Speedy Novus Glass, identified above, operates the Trans America Glass ("**TAG**") Network, which is a claims management service that connects insurers, fleet managers, and customers with glass repair and replacement service providers, including our franchisees and others. That network is located in Burnaby, Canada, but the principal office of Speedy Novus Glass is the same as ours.

We have several affiliates that offer franchises under the Novus trademark in other countries:

When we acquired the assets of the Novus Glass® system, our parent, Mondofix, purchased all the assets of TCGI (Jersey) Ltd. That company was the Master Franchisor for the Novus brand outside the United States and Canada, where it offers franchises for Novus Glass® Repair and Replacement, and Novus Scratch Removal businesses. As of December 31, 2023, Mondofix had 97 international licensees. Mondofix has never offered franchises in any other business, and it does not operate any Novus Glass® Repair or Novus Scratch Removal businesses.

Fix Auto Australia Pty Ltd. ("**Fix Auto Australia**"), located at 9/197 Murarrie Road, Murarrie, Queensland 4172, is another affiliate of ours. It purchased all the assets of TCG Australia Pty Ltd. at the time we acquired the assets of the Novus Glass® system. TGG Australia Pty Ltd. was the Master Franchisee for the Novus Glass® Repair and Replacement and for Novus Scratch Removal businesses in Queensland, New South Wales, Australian Capital Territory, Victoria, South Australia and Tasmania, Australia. As of December 31, 2023, Fix Auto Australia had 35 Novus Glass® franchisees. Fix Auto Australia also offers an auto body franchise under the name Fix Auto, and as of December 31, 2023, it had 23 franchises in Australia operating under this name. Fix Auto Australia does not offer franchises in any other business, and does not operate any Novus Glass® Repair or Novus Scratch Removal businesses. There is also a master franchisee in Western Australia and the Northern Territory, Australia, that had 15 Novus Glass® franchisees operating as

of December 31, 2023, and a master franchisee in New Zealand that had 47 Novus Glass® franchisees, 7 authorized agents, 4 subcontractors and 6 glass restoration (scratch removal) franchisees operating as of December 31, 2023.

We also have affiliates that offer franchises under other trademarks, as follows:

Mondofix is the owner of the Fix Auto franchise system that offers auto body repair facilities and complete after-collision services. Mondofix has sub-licensed the Fix Auto Body brand to master franchisees in various parts of the world since May 2001. As of December 31, 2023, there were 630 Fix Auto locations operating worldwide under licenses from Mondofix or Mondofix licensees or affiliates, including those discussed in the next paragraphs where the direct franchisor is an affiliate of ours.

Fix Auto Canada Inc. and its predecessors have franchised the Fix Auto Body system in Canada since 1992. The principal address for Fix Auto Canada Inc. is the same as the principal address for Mondofix. As of December 31, 2023, there were 247 franchised Fix Auto locations in Canada and no company-owned locations.

Fix Auto Canada Inc. has offered franchises under the Collision Repair Experts service mark in Canada since 2016 that operate as production facilities for TD Auto Centres. As of December 31, 2023, it had 17 Collision Repair Experts franchises and 2 company-owned locations open in Canada.

Fix Auto Canada Inc. purchased Prime CarCare Group Inc. in June 2016. Prime CarCare Group Inc. has been the franchisor of automobile repair (mechanical), automotive glass, and automobile maintenance franchises under the names Minute Muffler & Break (no longer offering new franchises), Speedy Auto Service and Novus Glass in Canada since 2009. The principal business address of Prime CarCare Group Inc. is 8400 Lawson Road, Unit 1, Milton, Ontario L9T 0J8. As of December 31, 2023, it had 179 franchised locations and 9 company-owned locations in Canada.

Fix Auto FA 17 Deutschland GmbH ("**Fix Auto 17**") began offering Fix Auto franchises in Germany in 2018. The principal address of Fix Auto FA 17 is Schillerstraße 4, 60313 Frankfurt am Main, Germany. As of December 31, 2023, it had 18 franchised locations in Germany.

11264621 Canada Inc. ("**ProColor Canada**") acquired the ProColor auto repair system in September 2019 and sold those rights to Mondofix in February 2020. Mondofix has operated the Carrossier ProColor network in Canada since then. That system was previously owned by Uni-Select, Inc., which began offering franchises in Canada in 2001. The principal address of ProColor Canada is 101-99 Émilien Marcoux Road, Blainville, Quebec, Canada J7C 0B4. As of December 31, 2023, it had 170 franchised locations in Canada.

ProColor Collision USA LLC ("**ProColor USA**") began offering ProColor Collision franchises in the United States in 2020. The principal address of ProColor USA is the same as ours. As of December 31, 2023, it had 19 franchise locations in the United States.

We have no other affiliates that offer franchises in any line of business.

Our Agent for Service of Process

Our agent for service of process in this state is disclosed in the State Agency Exhibit (Exhibit L) attached to this Disclosure Document.

The Business We Offer

The franchise that we offer is for the operation of a business offering windshield repair, installation and repair of automotive glass, and installation and repair of other glass products (the "**Novus® business**") that may be operated from either a fixed retail location or from a mobile vehicle under the terms of a "**Franchise Agreement**" (Exhibits D-2 (Retail Location) and D-3 (Mobile Business) to this Disclosure Document). The Franchise Agreement you sign will be our then-current form of agreement, which may differ from the current Franchise Agreements included with this Disclosure Document. Fixed retail location franchisees provide windshield repair, and glass installation and repair services, to customers on a full-time basis during normal business hours from the franchised location and, in addition, have the right to provide these services to customers from specially equipped vehicles. A mobile franchise provides these services from specially equipped vehicles and does not maintain a retail location.

If you (or your affiliate) have entered into a franchise agreement with our affiliate, ProColor USA, for the operation of a ProColor Collision Center and you desire to operate a Novus® retail business at the same location under a Franchise Agreement with us, we will offer you, at your request, the option of entering into an Amendment to your Franchise Agreement ("**ProColor Amendment**") (Exhibit K to this Disclosure Document) to reduce the term and any renewal term of the Franchise Agreement from 10 years to 5 years to match the term and any renewal term of the ProColor® franchise agreement, and to reduce certain fees payable under the Franchise Agreement in consideration of you opening and operating a Novus® retail business at your (or your affiliate's) ProColor Collision Center business.

We also offer to qualified people the right to develop 2 or more Novus locations within a specific territory under the terms of an Area Development Agreement. If you sign an Area Development Agreement, you will sign a separate Franchise Agreement for each Novus® business you develop under your Area Development Agreement. You will sign the first Franchise Agreement at the time you sign the Area Development Agreement. The form of the remaining Franchise Agreements will be our then-current form of Franchise Agreement at the time you are ready to develop the additional businesses.

We and National Automotive Parts Association ("**NAPA**") have entered into a Master Promotion Agreement to promote the Novus® retail franchise offering to certain operators of NAPA Auto Care Centers located in the United States. If the Novus® franchise will be operated in connection with the operation of other business(es) offering other automotive-related goods and services (in conjunction with the "NAPA Auto Care" designation and program), you and we also will sign a NAPA Co-Location Addendum to the Franchise Agreement ("**NAPA Co-Location Addendum**") in a form attached as Exhibit D-9, modifying certain provisions of the Franchise Agreement.

Companies other than Novus market products that compete directly with the Novus® business in this Disclosure Document. You will compete in your business with other national and regional systems, both company-owned and franchised, and with independent businesses, some of which offer only the services you will offer, and some of which offer other automotive or glass services in addition to the services you will be offering.

The products and services offered by a Novus® business are used by the general public and businesses for the repair and replacement of automotive, commercial and residential glass, and other glass related products and services that we approve. Potential customers include individual automobile owners, automobile dealerships, automobile rental agencies, trucking companies, fleet owners, automotive body shops, commercial building owners, residential homeowners, and insurance companies. Sales of products and services by a Novus® business tend to vary on a seasonal basis and are generally lower during the winter months in northern areas.

There are state laws in effect in a number of states that are specific to the after-market automotive industry, and/or to glass repair or replacement services. In some states you must be licensed to perform windshield repair and replacement services. Some states have laws restricting the rebates, gifts or incentives you can give to customers. For additional information about these laws, and to determine whether these laws exist in your state, contact your state Attorney General's office. There are also federal laws that prohibit certain activities on the part of motor vehicle repair businesses, including actions that would defraud consumers or render parts of their vehicle inoperative. In addition, you must comply with federal, state and local environmental, occupational safety and health, and related laws and regulations that apply to the handling, storage, use, and application of the resins and chemicals you use in your Novus® business.

ITEM 2
BUSINESS EXPERIENCE

Steve Leal – President

Mr. Leal has been our President since our formation in May 2017. He has served as President of Mondofix USA LLC since August 2017. He has served as President of ProColor Collision USA LLC since April 2020. Mr. Leal also has served as the President of Fix Auto Canada Inc., since January 2013, and of our parent, Mondofix, since March 2014.

Scott Bridges – Senior Vice President

Mr. Bridges has been our Senior Vice President since December 2022. From November 2020 to December 2022, Mr. Bridges served as our Vice President. From October 1998 to November 2020, Mr. Bridges served as the Vice President of Hertz Corp., a Car Rental company located in Denver, Colorado.

Daniel Hogg – Chief Financial Officer

Mr. Hogg has been our Chief Financial Officer since our formation in May 2017. He has served as Chief Financial Officer of Mondofix USA LLC since August 2017. He has served as Chief Financial Officer of ProColor Collision USA LLC, since April 2020. Mr. Hogg also has served as Chief Financial Officer of Fix Auto Canada Inc., since February 2013 and of our parent, Mondofix, since March 2014.

Mary N. Nelson – Marketing Manager

Ms. Nelson has been our Senior Marketing Manager since our acquisition of the Novus Glass® system from NFI in May 2017. Ms. Nelson also has served as Senior Marketing Manager of our affiliate, Novus 2, since March 2004.

Jay L. Bickford – National Trainer of Mondofix

Mr. Bickford has served as the National Trainer of our parent, Mondofix, since January 2021. From June 2017 to December 2020, Mr. Bickford served as our Director of Training and Development.

ITEM 3
LITIGATION

We are not a party to any litigation required to be disclosed in this FDD.

The below matters relate to our predecessor NFI.

Concluded Litigation:

Novus Franchising, Inc. v. Michael L. Dawson and CarMike, Inc., United States District Court, District of Minnesota, No. 12-529 JRT/JJG, filed February 29, 2012. Mr. Dawson is a former franchisee of NFI whose franchise was terminated by NFI as a result of his breach. When he continued operating a glass repair and replacement business following the termination, NFI brought this action against him and his company for amounts he owed NFI, and for violating NFI's covenant not to compete. NFI also sought a preliminary injunction against him to keep him from operating, pending a full trial on NFI's claim for breach of the non-compete agreement. Mr. Dawson then brought a counterclaim against NFI, alleging NFI violated the Minnesota Franchise Act and committed fraud in the sale of a franchise. He alleged that when his franchise agreement was expiring, the only reason he renewed the agreement was because of an oral promise that he would have a right of first refusal for any new franchise in his market so that he could prevent other franchisees from entering his market. His franchise agreement only restricted NFI from granting a franchise within 1 mile of his location, and NFI did, in fact, grant another franchise in the market outside that radius. Mr. Dawson asked the Court to rescind his franchise agreement and award him unspecified lost profits through 2018. In August 2013, NFI negotiated a settlement with Mr. Dawson and his company. Under the settlement, Mr. Dawson and his company agreed to a limited covenant not to compete. NFI released substantially all other claims against him, and he released all his claims against NFI.

Novus Franchising, Inc. v. Superior Entrance Systems, Inc., Superior Glass, Inc., and Knute R. Pedersen, United States District Court, Western District of Wisconsin, Civil Case No. 12-CV-204, filed March 27, 2012. NFI brought this action against a former franchisee of NFI's to collect approximately $12,600 owed to NFI under the franchise agreement, to prohibit NFI's former franchisee from using NFI's trademarks, and to enforce the non-compete agreement under NFI's franchise agreement. NFI's former franchisee filed its Answer and Counterclaim in April 2012. They claimed NFI breached the franchise agreement and as a result, they asked for a refund of all the fees they paid NFI. They also claimed NFI made false statements regarding the scope of a non-compete provisions of the agreement, and that as a result, they should be able to rescind the franchise agreement, without liability, and not be bound by the non-compete provision. In late 2012, the Court issued its order, upholding NFI's non-compete agreement, and in January 2013, it entered judgment in NFI's favor against NFI's former franchisee for $12,600, and it enjoined them from violating the covenant not to compete, as modified by the Court, for 2 years. The Court also rejected all the counterclaims against NFI. A month later, the Court entered judgment in NFI favor for attorneys' fees. NFI's former franchisee appealed, but the matter was settled in October 2013, with the former franchisee continuing to be bound by the non-compete agreement, and making a total payment to NFI of $100,000.

In 2023, we initiated one lawsuit against franchisees as follows:

Suit to recover overdue promissory note payments:
Novus Franchising 2 LLC vs. Go Glass, LLC and Abdiel Medina, No. 05-2023-CC-038148 (Fla. Brevard County Ct. 2023).

In 2023, none of our affiliates initiated any lawsuits against franchisees.

Other than these actions, 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

Initial Franchise Fee

The amount of the Initial Franchise Fee for all Novus® franchises is $10,500. If you are an active member of the United States military, or have been honorably discharged from the United States military, we will reduce the fee for the first franchise you acquire by $1,000. If you are reacquiring your franchise, you do not pay any Initial Franchise Fee to us, but you must pay a Re-Franchise Fee of $4,000 for the first franchise, and $2,500 for all additional Novus® businesses you re-franchise at the same time. If you sign the ProColor Amendment to your Franchise Agreement, you will pay us a reduced Initial Franchise Fee of $2,500.

We currently offer certain programs to qualified Novus® franchisees that purchase additional Novus® businesses. If you are an existing franchisee operating a Novus® business in good standing (including current on all fees payable to us, our affiliates, and vendors) and you are purchasing an additional Novus® business: (i) within a different territory than your current Novus® business, we will reduce the Initial Franchise Fee for the second and subsequent franchise to $5,250 (mobile or retail); or (ii) within the same territory as your current Novus® business (retail only), we will waive the Initial Franchise Fee for the second and subsequent Novus® business. A reduced Initial Franchise Fee only applies to a Franchise Agreement you enter into with us during the time we offer the applicable program. We may modify or terminate these programs at any time, but no modification or termination will affect any Franchise Agreement you sign during the time the applicable program is offered.

The Repair Only Addendum is only offered to you if you are reacquiring your existing Repair Only franchise. In that situation, you do not pay any Initial Franchise Fee to us, but you must pay a Re-Franchise Fee of $3,000 for the first franchise, and $2,000 for all additional Novus® businesses you re-franchise at the same time.

The Initial Franchise Fee is payable in full to us at the time you sign the Franchise Agreement. Except as described below, these fees are not refundable.

We also offer Area Development Agreements to develop multiple (2 or more) Novus® businesses. The development fee you pay under the Area Development Agreement is $10,500, multiplied by the number of Novus® businesses you are permitted to develop under the Area Development Agreement. You pay this fee to us at the time you sign the Area Development Agreement. These development fees are not refundable, but we will credit $10,500 of the development fee against the Initial Franchise Fee you pay when you sign each individual Franchise Agreement.

Initial Training and Testing Fees

You must pay us the applicable Initial Training Fees at the earlier of when you sign your Franchise Agreement or the first day that you or your employees attend training. These fees are not refundable. However, if you are purchasing an existing Speedy Glass business, and you have previously worked in that business for at least 1 year, if we determine that you have satisfactory business and technical experience (including Novus Glass® Repair Training) such that you do not need all or part of these training programs, we may waive your obligation to attend these programs, and waive the portion of these fees attributable to the programs we waive.

The Initial Training Fee is $14,000. This covers our Initial Training Program, Initial Glass Repair Training and Initial Glass Replacement Training. If you sign the ProColor Amendment to your Franchise Agreement, you will pay us a reduced Initial Training Fee of $10,000. If you want us to train additional people at the same time as we provide the Initial Glass Repair Training and Initial Glass Replacement Training, there is a charge for each additional person of $2,000 for the Initial Training Program, $2,000 for the Initial Glass Replacement Training, and $1,000 for Glass Repair Training. If (i) your principal owner/operator is an experienced master auto glass technician certified by the Auto Glass Safety Council ("**AGSC**") (or other certifying organization acceptable to us) who passes our glass replacement test, or (ii) you employ a full-time experienced and certified master auto glass technician who passes our glass replacement test, and stays in your employ full-time continually for 1 year following the opening of your business, then we will waive the requirement that you take the glass replacement training, and we will give you a credit that you can use for product purchases. The credit will be for $2,000, less a testing fee of $500, and any travel and other out-of-pocket costs we incur in providing the test outside our offices.

Vehicle

Except as noted below and elsewhere in this Disclosure Document, as further described in Items 6 and 10, you must lease from us at least 1 Vehicle (defined in Item 6, note (8)) as part of the operation of your Novus® business. We estimate that the initial cost to lease 1 Vehicle from us will range from $3,800 to $4,100. This includes your first non-refundable payment, which includes a $100 monthly administrative fee and any applicable taxes (assuming taxes on the Vehicle are not required to be paid in a lump sum), and a $2,500 security deposit due under the "**Vehicle Lease Agreement**" (Exhibit E to this Disclosure Document), both of which must be paid to us on or before the date you take possession of the Vehicle (the "**Vehicle Delivery Date**"). If you are located in a jurisdiction that requires taxes on the Vehicle to be paid in a lump sum rather than on a monthly or annual basis, you must pay the entire lump sum amount to us on the Vehicle Delivery Date. If applicable, we estimate that this lump sum amount will range between $0 to $7,560 or more depending on the applicable tax rate in your jurisdiction (assuming a $1,300 monthly lease payment (not including the administrative fee) and a tax rate of 10.5%). See Item 7 for more information. We will place your $2,500 security deposit in a non-interest-bearing account. We will refund the security deposit to you within 30 days after the end of the term of the Vehicle Lease Agreement, provided there are no additional amounts owing to us, including excess wear and tear on the Vehicle. We assume that you will lease only 1 Vehicle from us before you begin operation of your Novus® business. If we elect, in our sole discretion, to delay the requirement that you lease Vehicles from us, as further described in Items 6, 7 and 10, you will purchase or lease Vehicles from a third party for up to 3 years and therefore will not pay to us or our affiliates any initial Vehicle purchase or lease payments, or deposits.

Vehicle Shipping or Delivery Fees

You must take possession of the first Vehicle you lease from us at the location we specify. We will attempt to arrange for this location to be at a dealership or other location within your market, so there are no shipping or delivery fees. If that is not practical, however, and we are required to ship or have the Vehicle delivered to a dealership or other location within your market so you can take possession of it, you will be required to pay the shipping or delivery fees to us which we estimate will range from $800 to $1,700. If we elect, in our sole discretion, to delay the requirement that you lease Vehicles from us, you will purchase or lease Vehicles from a third party for up to 3 years, although, in some cases, we may permit the re-leasing of Vehicles from a third party for the remainder of the Term of the Franchise Agreement, and therefore you will not pay to us or our affiliates any initial Vehicle shipping or delivery fees.

Equipment Packages

You must acquire certain equipment, tools, supplies, and promotional materials from us or from Novus 2 when you sign your Franchise Agreement. You must purchase (or lease as indicated) the following equipment packages:

1. The Initial Equipment Package for equipment related to glass repair which includes 2 repair bridges and 1 Crack Mouse®. You must lease this equipment package from us (see Exhibit F), with a one-time pre-payment of $2,500 (or $1,500 if you sign the ProColor Amendment to your Franchise Agreement). If you operate a retail location, you may need to lease a second set of this equipment package for us.

2. The Auto Glass Replacement Tool and Equipment Package for use with glass replacement services. The cost of this equipment package is $6,000. If you operate a retail location, you may need a second set of this equipment package.

3. The Glass Repair Package, which all new franchisees purchase, and includes additional glass repair tools, supplies and equipment. The cost of this equipment package is $3,500 (or $3,000 if you sign the ProColor Amendment to your Franchise Agreement). If you operate a retail location, you may need a second set of this equipment package.

4. The Vehicle Office Package, which includes at least a laptop and printed. The cost of this equipment package is $1,500.

Payment for all equipment packages are nonrefundable and due when you sign your Franchise Agreement.

If you are signing a Franchise Agreement as part of a transfer or re-franchise, and you trade in the classic bridges that you purchased, then we will discount this initial payment by $200.

Initial Software Package

You must license our proprietary POS software and accounting software system from our designated vendor. To license this software for the first year, you will pay us a non-refundable fee of $3,000 at the time you sign your Franchise Agreement. This fee includes the license fee for the first year and the set-up fee for this software. After the first year, you must pay our then-current monthly license fee. At this time, the license fee for the basic license is $300 to $350 per month (includes 5 user licenses) and $25 to $30 per user license per month for any additional users. If you are currently at the end of the initial term of the Franchise Agreement, and you want to re-franchise, you will not pay us a new setup fee or first year license fee, and will continue to pay the monthly fee for the software license. A NAGS license is also required for the point of sale software, and another license is required for the online quoting tool that delivers live price quotes and scheduling to you. The fee for these licenses is currently $700 to $950 per year. You will pay that fee to us and we will forward it to NAGS.

Franchise Identification Package

You must purchase a Franchise Identification Package from us when you sign your Franchise Agreement. The basic Identification Package will cost $2,700. This is for a basic package that includes 3 uniforms and basic printing. If your initial operations require a larger package, these costs will be higher. We anticipate the maximum cost for these packages will be $4,200. Payment for the Identification Package is nonrefundable.

Initial Marketing Start-Up Package

We will prepare an initial marketing start-up package for you. It will include an initial direct mail marketing campaign, an initial fleet and commercial account prospect list, and a local area search marketing program. As part of this package, we will also establish a home page for you on our website. The cost for this package is $7,000, or $4,000 if you sign the ProColor Amendment to your Franchise Agreement. Part of the cost of this package will be forwarded to our designated digital marketing supplier to set up a minimum media spend with them for the first 6 months of the operation of your Novus® business. These fees are due when you sign your Franchise Agreement. There may also be a monthly hosting fee for your home page. (See Item 6 for additional information on the hosting fee and the referral website fees.). These fees are nonrefundable.

Software Conversion Fee

If you are already operating a Novus® business and therefore are signing a Re-Franchise Addendum, you may also need to pay $350 to convert your software from your existing software program to our new one. This fee is due when you sign the Re-Franchise Addendum and is not refundable.

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ITEM 6
OTHER FEES

Type of Fee[1]	Amount	Date Due	Remarks
Royalty Fees	6% of Gross Revenues from all products and services you sell in your business, or the "**Minimum Monthly Royalty Fees**," whichever is greater. Franchisees with multiple Retail location franchises can qualify for our MSO Royalty Credit Program if they meet certain requirements. See notes (2) - (6)	The Minimum Monthly Royalty Fee is due on the 1st of each month, and any additional Royalty Fee is due on the 10th day of the month based on Gross Revenues the preceding month.	If you sign the ProColor Amendment to your Franchise Agreement, however, any Gross Revenues from the sale of glass work done as part of a collision claim (the "**Collision Glass Work Gross Revenues**") will be reported separately to our affiliate, ProColor USA, and you (or your affiliate) must pay to ProColor USA the royalty fee due under your (or your affiliate's) ProColor® franchise agreement for those Collision Glass Work Gross Revenues, in lieu of the Royalty Fee due under your Franchise Agreement for those Collision Glass Work Gross Revenues, as further described in the ProColor Amendment.
Marketing Contributions	2% of Gross Revenues from all products and services you sell in your business. See notes (3) and (5)		
Local Advertising	A minimum of 4% of Gross Revenues.	As negotiated with local advertising suppliers.	This is a minimum amount you must spend in your own market to promote your Novus® business. You do not have to pay it to us, unless you fail to spend the money. See note (7)
Vehicle Lease Payments (if Vehicle leased from us)	$1,300 to $1,600 per month See note (8)	First payment is due to us on or before Vehicle Delivery Date, with remaining payments due on the 10th day of the month.	We may adjust these monthly payments due to changing tax rates.
Vehicle Shipping or Delivery Fees	$800 to $1,700. See note (9)	On or before Vehicle Delivery Date and/or date Vehicle is returned.	
Vehicle Maintenance (if Vehicle leased from us)	Will vary under the circumstances.	On demand	If repairs or maintenance are necessary to any Vehicle leased from us and we, in our sole discretion, elect to have such repairs and maintenance completed, you must reimburse us for the related costs and applicable taxes.

Type of Fee[1]	Amount	Date Due	Remarks
Fees and Costs Relating to Defaults Under Vehicle Lease Agreement	Will vary under the circumstances. See note (10)	On demand	Payable, in our sole discretion, upon any uncured default under a Vehicle Lease Agreement with us.
Fees Relating to Unpaid Fines or Unremoved Liens or Encumbrances Under Vehicle Lease Agreement	Will vary under the circumstances.	On demand	If you fail to promptly pay any fines or remove any liens or encumbrances at your expense, we may do so and charge you for the same, plus an administrative fee of 15% of the amount, and we may consider the amount to be rent under the respective Vehicle Lease Agreement with us.
Website Fees	There is no regular maintenance fee but you must pay the programming costs for custom changes to your web page. See note (11)		
Additional Email Fees	We will provide you 1 free email account with your home page. If you want additional email accounts, you must pay us an additional $25 a month per email account.	Monthly	Only applies if you request additional email accounts.
Reimbursement of Audit Costs	Dependent upon the costs we incur in conducting an audit of your business records.	Within 5 days of receipt of an invoice indicating the amount owed.	You only have to reimburse us for audit costs if an audit shows that you understated your Gross Revenues by more than $500 in any 12-month period.
State, Regional and National Meetings	$1,000 to $1,500 registration fee for each person attending.	Upon demand	You must attend all national, regional and state meetings each year. Generally, there are 2 such meetings each year; a regional meeting every year; and a national and state meeting on alternating years. In addition to the registration fee you pay us, you must pay your travel, lodging, and food expenses. See note (12)
Other Training	$0 to $5,000	At the time of training.	See note (13)

Type of Fee[1]	Amount	Date Due	Remarks
NOVUS Success Team	Up to $1,000 per week, plus travel expenses.	Upon completion of services.	If you request a coach to assist you in your business, and we agree to send one to you, or if we determine your business needs additional assistance, we will send a business coach to your market to assist you. The fee for this service will not exceed $1,000 per week, plus our travel expenses.
Electronic Data Interchange	Up to $2.00 per transaction.	Monthly	This is a transaction fee for electronic job notifications to certain insurance companies or third-party administrators.
Branding Non-Compliance Fee	Up to $500 per month.	On the first day of each month.	If you fail to display our approved signage in the month you open your business, you must pay us a $500 monthly fee until the signage is installed and displayed. In addition, if you do not meet our other brand identity standards (such as building signage, vehicle signage, uniforms), and do not correct your noncompliance within 10 days after notice, we may charge you an additional branding non-compliance fee, of up to $500 a month, until you comply.
TAG Network fees	You must use any claims referral services we designate. We currently require you use the TAG Network, operated by an affiliate of ours. There is an initial fee of $300 you will pay when you start receiving referrals from the TAG Network. There are additional fees for referrals. The current maximum fees are $15 referral fee for booked windshield repair jobs and $25 referral fee on booked glass replacement jobs.	As incurred	The per job fee is only paid for jobs the Call Center actually schedules on your behalf for accounts that impose this fee.

Type of Fee[1]	Amount	Date Due	Remarks
Fixed / Mobile Conversion Fee	$250	Before conversion of a mobile franchise to a retail location or a retail location franchise to a mobile franchise.	
Transfer Fee	$7,500, which we reduce to $5,000 if the purchaser is an existing Novus Glass® franchisee.	Before transfer of franchise.	In addition, the transferee will pay us our then-current training fee, unless the transferee is an existing Novus Glass® franchisee that has 1 or more Novus trained employees that will work in the transferred business. The transferee may also have to purchase a portion or all of the Franchise Identification Package, to ensure that the transferee's franchise identification meets our then-current Franchise Identification Package standards and specifications.
Re-Franchise Fee	$4,000 See note (14)	Upon exercise of the option to re-franchise.	The term of the Franchise Agreement is 10 years. You have an option to re-franchise. See Article 3 of the Franchise Agreements.
Territory Modification Fee	$2,500	Within 10 days of when we approve a change to the Territory.	You pay this fee only if you request a change or modification to your Territory after our initial determination.
Monthly Point-of-Sale Software Package License Fees	$300 to $350 per month (includes 5 user licenses).	On the 10th day of each month.	Add-on features, and additional users, will increase these fees. See note (15) and Item 11
Shop Onboarding Fee	$300 to $350 per location	As incurred	If we implement or update to a new software package, this fee covers the costs associated with such implementation or update and any associated training on how to use the new software. See note (15) and Item 11
Yearly NAGS License Fees	$700 to $950 per user per year.	On the 10th day of each month.	You will pay this fee to us and we will forward the fee onto NAGS.
Late Payment Fees	$100 per month or the maximum legal rate allowable in the state where your business is located, whichever is less.	On demand	If you fail to timely pay any Royalty Fees, payments under any Vehicle Lease Agreement with us or other payments you owe us, we will assess a late payment fee of $100 for each month that the payment is delinquent.

Type of Fee[(1)]	Amount	Date Due	Remarks
Liquidated Damages	60 (or if less than 60 months remaining on the term of the Franchise Agreement, then the total months remaining on the term of the Franchise Agreement) times the average monthly remaining Gross Revenues over the 12 months before termination for abandonment (or if not operated for 12 months, the number of full months operated after opening and before termination for abandonment).	Immediately after notice from us	Only payable if we terminate the Franchise Agreement for abandonment.
NSF Charge	$100	On demand	We will assess a fee of $100 for any uncollected automatic bank transfer resulting from insufficient funds.
Late Gross Revenues Report Fee	$25	On demand	If you fail to submit a Gross Revenues Report when due, we will assess a $25 fee.
Supplier Approval	Actual cost we incur or $250, whichever is greater.	On demand	You must reimburse us for all costs that we incur to determine the quality of the products and services you submit for approval.

(1) Except where indicated, each fee is payable to and collected by Novus and all fees are nonrefundable. None of these fees are imposed by a cooperative. They are uniformly imposed on our franchisees, except that franchisees signing earlier franchise agreements may have lower fees for some of these items.

(2) The percentage royalty fee begins the date you begin operating your business, but the Minimum Monthly Royalty Fee does not generally begin until the 4th month after you sign the Franchise Agreement. The Minimum Monthly Royalty Fee will begin at $350 the 4th month after you sign the Franchise Agreement and will increase to $500 in the 7th month after you sign the Franchise Agreement. If you convert an existing independent glass replacement and repair business to a Novus® franchise, beginning on the date you sign the Franchise Agreement, you will pay us the greater of the monthly Royalty Fee based on your Gross Revenues or the Minimum Monthly Royalty Fees of $500. If you are signing a Franchise Agreement as part of the transfer of an existing franchise, the higher minimum will begin immediately. If you sign a standard Re-Franchise Addendum, the percentage royalty fee also begins the date you begin operating your business, and the Minimum Monthly Royalty Fee begins the second month after you sign your Agreement. If you sign a Repair Only Addendum, the Minimum Monthly Royalty Fee is $300.

(3) The term "**Gross Revenues**" means your total gross dollar sales from all products and services that are received, billed or generated by, in, or from your business from all cash, credit, and charge sales

made to your customers and clients, excluding any sales, use or gross receipts tax imposed by any federal, state, municipal, or governmental authority directly upon sales (see Article 1 of the Franchise Agreements). If you sign the NAPA Co-Location Addendum, the term "Gross Revenues" will not include any windshield wipers and wiper fluid that are sold from the other businesses at the facility.

(4) If you fail to Re-Franchise your business at the end of the term, but continue operating your Novus® business, in addition to any other remedies we have, you must pay us additional Royalty Fees of $200 per month.

(5) Unless we agree otherwise, you must authorize your bank to deposit the amount of your Royalty Fees and Marketing Contributions from your bank account directly into our bank account on a monthly basis by direct transfer of funds.

(6) We have developed a multiple store operator ("MSO") royalty credit program (the "MSO Royalty Credit Program") for franchisees that operate multiple Novus® retail locations (also referred to as stores). If you or a "Related Entity" (an affiliate with the same ownership structure as you) operate at least 2 Retail location franchises, we may allow you to participate in the MSO Royalty Credit Program, which provides a Royalty Fees credit based on meeting certain quarterly sales goals. See the Multiple Store Operator (MSO) Royalty Credit Program Addendum attached as Exhibit D-8. Franchisor reserves the right, in its sole and absolute discretion, to modify any term of the MSO Royalty Credit Program, or to discontinue the MSO Royalty Credit Program, at any time, subject to certain notice requirements.

(7) If there are 2 or more franchisees in your market area, we may require you to become a member of a local advertising group or cooperative, as further described in Item 11. Your advertising payments to a local advertising group or cooperative will apply towards and not exceed your 4% local advertising spending requirement. If a local advertising group or cooperative is formed that includes locations owned by us or our affiliates, those locations each will have the same voting power as the franchised locations in the advertising group or cooperative.

(8) Except as noted below and elsewhere in this Disclosure Document, you must purchase or lease at least 1 vehicle for use in the operation of your Novus® business that complies with our standards and specifications. As of the date of this Disclosure Document, we have established a "**Vehicle Leasing Program**" that you must participate in. To facilitate this Program, our parent, Mondofix USA, has entered into a master lease agreement ("**Head Lease**") with Doering Leasing Co. ("**Head Lessor**"), an unrelated third party located in Brookfield, Wisconsin, under which Mondofix and Novus have been granted the right to lease certain vehicles and/or equipment from Head Lessor, and to sublease the vehicles and/or equipment to Novus® franchisees.

Under the Vehicle Leasing Program, you must lease all of the Vehicles you use in the operation of your Novus® business from us under a separate Vehicle Lease Agreement (Exhibit E to this Disclosure Document) for each Vehicle. The term "**Vehicle**," means the motor vehicle (a white van), together with the buildout of the vehicle, which may include shelving, racks and storage areas for tools and materials, an exterior graphics package, and other equipment and accessories, as described in each specific Vehicle Lease Agreement.

As further described in Item 10, under each Vehicle Lease Agreement, you will pay us 60 monthly payments, inclusive of a $100 monthly administrative fee and any applicable taxes (except for any lump sum tax payments on the Vehicle), as rent for the Vehicle. Also, if you remain in possession of a Vehicle after expiration of the term of the respective Vehicle Lease Agreement, all provisions

of the Agreement will continue to apply and your monthly rental payments will continue to be payable in the amount and by the same day each month until you have returned the Vehicle.

Subject to the terms of any Vehicle Lease Agreements we enter into with you and other Novus® franchisees, we have the right to modify or discontinue the Vehicle Leasing Program, and to change the head lessor or vehicle supplier, the terms of any leasing arrangements, and the standards and specifications of the vehicles you must use in the operation of your Novus® business, upon 30 days' written notice to you.

Notwithstanding the above, if we elect, in our sole discretion, to delay the requirement that you lease Vehicles from us due to supply chain issues, logistics or some other reason, you must sign an addendum to your Franchise Agreement ("**Delay of Vehicle Leasing Requirement Addendum**") under which you will be allowed to purchase or lease Vehicles from third parties for up to 3 years before signing our then-current Vehicle Lease Agreement and leasing all of the Vehicles for your Novus® business from us. In such case, until you sign a Vehicle Lease Agreement with us, you will not pay to us the Vehicle lease payments described in this Item 6, but will make Vehicle-related payments to third parties. In addition, as described in the Delay of Vehicle Leasing Requirement Addendum, at the time you sign our then-current Vehicle Lease Agreement, you must pay to us the Vehicle lease payments described therein, which may be higher than the estimated range in this Item 6.

(9) You will take possession of each Vehicle you lease from us at the location we specify, and also will return each Vehicle to the location we specify. In both cases, we will attempt to arrange for this location to be at a dealership or other location within your market, so there are no shipping or delivery fees. If that is not practical, however, and we are required to ship or have the Vehicle delivered to a dealership or other location within your market so you can take possession of it, you will be required to pay the shipping or delivery fees to us. Similarly, if we determine it is not practical for you to return the Vehicle to a dealership or other location within your market and we are required to have the Vehicle shipped or delivered to a dealership or other location outside your market, you will be required to pay the shipping or delivery fees to us. If we elect, in our sole discretion, to delay the requirement that you lease Vehicles from us and you sign a Delay of Vehicle Leasing Requirement Addendum with us, until you sign our then-current Vehicle Lease Agreement, you will not pay to us any of the shipping or delivery fees described in this Item 6, but may make any applicable Vehicle shipping or delivery payments to third parties. In addition, as described in the Delay of Vehicle Leasing Requirement Addendum, at the time you sign our then-current Vehicle Lease Agreement, you will be required to pay any applicable shipping or delivery fees to us, which may be higher than the estimated range in this Item 6.

(10) If you default under any Vehicle Lease Agreement with us and fail to cure the default (to the extent it is curable), we may require you to pay to us the termination value of the Vehicle which is calculated as the present value of all payments due, past due, or to become due, together with the estimated value of the Vehicle at the end of the term of the Vehicle Lease Agreement as determined by us acting reasonably, all discounted from when they are due at a discount rate of 2% per annum, plus any late payment fees due on overdue payments, which you agree to pay immediately upon request. You also agree to pay us for all collections and legal costs relating in any way to the default, including reasonable legal fees and court costs incurred to the extent permitted by law. In addition, if the Vehicle is confiscated by the government, or stolen, or damaged and in a condition which we believe is beyond reasonable repair, the applicable Vehicle Lease Agreement will terminate immediately, and you will be responsible for paying to us the termination value described above, offset by any amounts paid under your insurance policy. Further, in either case, you must pay all other amounts due under the Vehicle Lease Agreement that would have been payable,

including excess wear and tear. All amounts not paid on the applicable due dates also will be subject to late payments and other charges.

(11) If you decide to add any information to your web page that is not contained in our standard template, the programming costs will be $100/hour for the first 2 hours and $65/hour for each additional hour.

(12) If you do not register for or attend our meetings as required, we will bill you for the convention fee and you must pay it within 10 days after you receive our invoice. We typically send these invoices about 1 month before the session begins.

(13) As indicated in Item 5, we provide initial glass replacement and glass repair training when you begin operating the business. If you lose a trained employee and a new one must be trained, the fee will be $5,000 for each training. If you have an employee who is taking the glass replacement training and that employee does not complete the initial glass replacement training within the times we require, you must then pay an additional $500 for this training.

Flat glass training is a two-week training course we offer for franchisees interested in offering flat glass products and services in their business. The fee for that program is $5,000.

Apart from these training programs, we periodically offer other training courses to franchisees for new products and services. The fees for these programs are determined at the time the training is offered.

(14) If you re-franchise more than 1 Novus® franchise at the same time, the fee will be $4,000 for the first one, and $2,500 for all additional franchises that you re-franchise at the same time.

(15) The basic monthly fees for the first year are included in your initial fees. Beginning the second year, there are other optional fees. If you want to add additional user licenses to the Monthly Point-of-Sale Software Package License (beyond the standard 5 licenses), it is $25 to $30 per month per user. If you want assistance integrating the software with QuickBooks, there is an additional set-up fee of $250 to $350 per location. Technician Route Direct is available at $50 to $60 per month per user. A mobile application is also available for $20 to $35 per month per user. If you want a Microsoft Office Standard online subscription, the fee for that subscription is $20 to $25 per month per user. See "Computer Systems" in Item 11 for additional options.

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ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

LEASED RETAIL LOCATION FRANCHISE

Type of Expenditure*	Amount (Low - High)		Method of Payment	When Due	To Whom Owed
Initial Franchise Fee[1]	$10,500	$10,500	Lump Sum	Upon Signing	Novus
Initial Training Fee[2]	$14,000	$14,000	Lump Sum	Upon Signing	Novus
Salaries and Expenses For 2 Persons to Attend Required Training[3]	$3,000	$9,000	Lump Sum	On Pay Days and When Incurred	Employees, Suppliers
First Month's Rent[4]	$1,000	$4,200	Lump Sum	Before Start	Landlord
Leasehold Improvements/ Redecoration[5]	$2,500	$40,000	Lump Sum	Before Start	Suppliers
Furniture and Fixtures	$0	$25,000	As Incurred	Before Start	Suppliers
Exterior Building Signage[6]	$5,000	$10,000	Lump Sum	Within 30 Days After Signing[6]	Suppliers[6]
Vehicle[7]	$3,800	$50,000	Lump Sum	Before Start	Novus, Suppliers
Vehicle Shipping or Delivery Fee[8]	$0	$1,700	Lump Sum	Upon Vehicle Delivery	Novus
Equipment Packages[9]	$13,500	$25,500	Lump Sum	Upon Signing	Novus
Additional Tools and Supplies[10]	$1,000	$2,500	Lump Sum	Before Start	Suppliers
Inventory and Supplies[11]	$0	$10,000	Lump Sum	Before Start	Novus, Suppliers
Software Package[12]	$3,000	$3,000	Lump Sum	Before Start	Novus
Calibration Package[13]	$0	$11,990	Lump Sum	Before Start	Supplier
Franchise Identification Package[14]	$2,700	$4,200	Lump Sum	Upon Signing	Novus
Initial Marketing Start-up Package[15]	$7,000	$7,000	Lump Sum	Upon Signing	Novus
Initial Advertising Campaign Expenditures	$0	$5,000	As incurred	Initial 3 Months	Suppliers
Insurance Premiums[16]	$6,000	$10,000	Lump Sum	Before Start	Insurance Company
Professional Fees	$0	$3,000	As Incurred	As Incurred	Supplier
Security Deposits	$0	$3,000	Lump Sum	Before Start	Landlord
Additional Funds (3 Months)[17][18]	$17,000	$35,000	As Incurred	Initial 3 Months	Suppliers; Employees, Novus
Total[19]	$90,000	$284,590			

MOBILE FRANCHISE

Type of Expenditure*	Amount (Low - High)		Method of Payment	When Due	To Whom Owed
Initial Franchise Fee[1]	$10,500	$10,500	Lump Sum	Upon Signing	Novus
Initial Training Fee[2]	$14,000	$14,000	Lump Sum	Upon Signing	Novus
Salaries and Expenses For 2 Persons Attending the Required Training[3]	$3,000	$9,000	Lump Sum	On Pay Days and When Incurred	Employees, Suppliers
Vehicle[7]	$3,800	$50,000	Lump Sum	Before Start	Novus, Suppliers
Vehicle Shipping or Delivery Fee[8]	$0	$1,700	Lump Sum	Upon Vehicle Delivery	Novus
Equipment Packages[9]	$13,500	$13,500	Lump Sum	Upon Signing	Novus
Additional Tools and Supplies[10]	$1,000	$2,500	Lump Sum	Before Start	Suppliers
Inventory and Supplies[11]	$0	$5,000	Lump Sum	Before Start	Novus, Suppliers
Software Package[12]	$3,000	$3,000	Lump Sum	Before Start	Novus
Calibration Package [13]	$0	$11,990	Lump Sum	Before Start	Supplier
Franchise Identification Package and Signage[14]	$2,700	$4,200	Lump Sum	Upon Signing	Novus
Initial Marketing Start-up Package[15]	$7,000	$7,000	Lump Sum	Upon Signing	Novus
Initial Advertising Campaign Expenditures	$0	$5,000	As incurred	Initial 3 Months	Suppliers
Insurance Premiums[16]	$6,000	$10,000	Lump Sum	Before Start	Insurance Company
Professional Fees	$0	$3,000	As Incurred	As Incurred	Supplier
Additional Funds (3 Months)[17][18]	$5,000	$19,000	As Incurred	Initial 3 Months	Suppliers, Employees, Novus
Total[19]	$69,500	$169,390			

Notes to Tables

* None of these payments are refundable. They are rounded to the nearest $100 unless otherwise indicated. We do not finance any of your initial investment, except as disclosed in Notes 7 and 9 below.

(1) See Item 5 for additional information. The Initial Franchise Fee is reduced by $1,000 for the first franchise if you are an active military personnel, or were honorably discharged from the military. In addition, if you sign the ProColor Amendment to your Franchise Agreement, you will pay us a reduced Initial Franchise Fee of $2,500. If purchasing a second Novus® business in a different territory than your current Novus® business, the Initial Franchise Fee will be reduced to $5,250, or if purchasing a second Novus® business in the same territory as your current Novus® business, the Initial Franchise Fee will be waived.

If you sign an Area Development Agreement to develop multiple Novus® businesses, you will pay a development fee equal to $10,500, multiplied by the number of Novus® businesses you are permitted to develop under that agreement. This fee is then credited against the Initial Franchise Fee you would otherwise pay when you sign each individual Franchise Agreement. There are no other incidental expenses you should incur as an Area Developer, as the expenses to open each Novus® business are accounted for in these tables.

(2) You will pay us an initial training fee of $14,000 for initial glass repair and glass replacement training. If you sign the ProColor Amendment to your Franchise Agreement, you will pay us a reduced initial training fee of $10,000. This fee allows 2 people to take the training at the same time. (We will train additional people at the same time, at a reduced cost, but we have assumed that you would not need this training and therefore we have not included any additional training in our estimates.) See Item 5. If we conduct the test at your retail location, then you must also provide the vehicle and the glass, and pay our out-of-pocket costs for travel and living expenses in providing the test, but if you take the test at our offices, you will not need to pay us these expenses or provide the vehicle or glass for the test.

(3) These are the estimated salaries, fringe benefits, travel, auto rental, food, and lodging expenses for 1 to 2 people to attend our required training programs. You must send a minimum of 1 person to each glass repair training and glass replacement training. The minimum assumes only the franchisee attends this training and does not include wages for the franchisee. The expenses you actually incur could also be higher than our estimate depending on the distance the employee travels, the mode of transportation, your expense reimbursement policy, time of year, failure to purchase airline tickets in advance, hotel selection, and location of your business.

(4) For a franchise you operate from a retail location, you must either lease or purchase your retail location, which will range from 1,500 to 5,000 square feet in size. If you purchase your retail location, then the cost of the real estate and building will vary depending on the market, location, size, and other economic factors. Rental rates vary considerably and depend on geographic location, size, market conditions, and other economic factors. We estimate that your monthly rent will range from $5 to $20 per square foot per year in most areas of the United States. Thus, the rent for a 2,500 square foot building will be between approximately $1,000 and $4,200 per month. The amounts in the table reflect the rent for the first month based on these estimates. Our estimate for "additional funds" includes an additional two months of rent.

(5) If you operate from a retail location, you will need to make leasehold improvements to your building. Depending on the terms of your lease, some or all of these costs may become part of your monthly lease payment. If you are converting your existing business to a Novus® business, your costs will usually be less than the amounts set forth in the above tables because you will (a) have acquired some of the furniture, fixtures, and equipment, (b) not be required, in most cases, to make extensive leasehold improvements to the existing premises, and (c) already own vehicles.

(6) You must purchase your signage from a supplier we approve and must show us a paid receipt from that supplier within 30 days after you sign the Franchise Agreement.

(7) The stated range in these tables is for 1 Vehicle that complies with our standards and specifications, as we assume you will only require 1 Vehicle to begin operation of your Novus® business.

Unless we elect, in our sole discretion, to delay the requirement that you lease Vehicles from us and sign a Delay of Vehicle Leasing Requirement Addendum with you, you must lease your first Vehicle from us under our Vehicle Leasing Program. In such case, we estimate the cost will be $3,800 to $4,100. This estimated range includes a $2,500 deposit and your first monthly payment under the Vehicle Lease Agreement, which includes a $100 administrative fee and any applicable taxes (except for any lump sum tax payments on the Vehicle). The low end of this range assumes you pay no taxes on the Vehicle or the monthly administrative fee, and the high end assumes you

pay taxes on the Vehicle and the monthly administrative fee equal to 10.5%, although the applicable tax rate or rates may be higher in your jurisdiction and are subject to change.

If we elect, in our sole discretion, to delay the requirement that you lease Vehicles from us and sign a Delay of Vehicle Leasing Requirement Addendum with you, you must purchase or lease your first Vehicle from a third-party supplier. In such case, your initial costs will depend on the terms you negotiate with the supplier. If you lease a Vehicle, we estimate the cost, including a deposit and any administrative fees, will be $3,800 to $5,250 or more. The low end of this range assumes you pay no taxes on the Vehicle or any administrative fee, and the high end assumes you pay taxes on the Vehicle and any administrative fee equal to 10.5%, although the applicable tax rate or rates may be higher in your jurisdiction and are subject to change. If you purchase a Vehicle, we estimate that it will cost $10,000 to $50,000. The low end of this range assumes that you purchase a used Vehicle, while the high end assumes you purchase a new Vehicle.

To take into account that you may be leasing your first Vehicle either from us or a third-party supplier, our estimate for "additional funds" below includes 2 additional monthly payments under your Vehicle Lease Agreement or your agreement with the third-party supplier. In addition, as further described in Note 17, the high end of our estimate for "additional funds" below assumes that if you are leasing a Vehicle, you are in a jurisdiction that requires you to pay taxes on the Vehicle in a lump sum.

(8) As further described Item 6 note (9), if you lease a Vehicle from us and we ship or have the Vehicle delivered to a dealership or other location within your market, you will be required to pay the shipping or delivery fees to us. In addition, if you purchase or lease a Vehicle from a third-party supplier, we estimate that you may be required to pay shipping or delivery fees to that supplier.

(9) The equipment packages include our Initial Equipment Package, Auto Glass Replacement Tool and Equipment Package, our Glass Repair Package, and our Vehicle Office Package. The low estimate assumes you purchase and/or lease the minimum required equipment packages The high end for a retail location assumes you purchase and/or lease 2 of each package other than the Vehicle Office Package. The high end for a mobile franchise assumes you purchase and/or lease 1 of each package, including the Vehicle Office Package. In addition, as further described in Item 5 and the ProColor Amendment, we will reduce the cost of some of these packages if you sign the ProColor Amendment to your Franchise Agreement.

(10) This includes a glass rack, large took box, and miscellaneous office supplies.

(11) This is for the initial supply of windshields and other automotive glass, adhesives, clips, and other materials needed to operate the franchise for 1 month, including promotional materials. The estimate assumes close proximity to wholesale facilities to serve the franchise or licensed business, which lowers the required inventory. A basic supply of some of these items are included in the Accompanying Equipment Package, and the low estimate assumes you will not need any additional inventory in the first month beyond the inventory included in that package.

(12) You will need our proprietary point-of-sale software and accounting software for use in your business. The package currently has an initial cost for the first year of $3,000, which includes the initial set-up fee and the first-year license fees. After the first year, you must pay monthly update and license fees. The fee is currently $300 to $350 per month (includes 5 user licenses).

(13) You will only incur this expense if you purchase a Calibration Package from our approved supplier.

(14) The basic Identification Package costs $2,700 and includes 3 uniforms. Each package also includes basic initial printing. The high end of the ranges assumes your initial operations require a larger package. (See Item 5.)

(15) We will prepare an initial marketing start-up package for you, which will include an initial direct mail marketing campaign, an initial fleet and commercial account prospect list, and a local area

search marketing program. As part of this package, we will also establish a home page for you on our website and provide you with 1 free email account. The cost of this package will be less if you sign the ProColor Amendment to your Franchise Agreement. (See Item 5.)

(16) This range estimates the initial monthly insurance premiums you will pay for the required minimum levels of insurance described in Item 8, including the Vehicle Insurance you must purchase from our designated supplier, which we estimate will cost $150 to $400 per month.

(17) You may attend a 1-day information and orientation meeting (which we call "Discovery Day") at our offices in St. Paul, Minnesota. There is no fee for this meeting. You must pay your travel costs and other expenses for attending, but we will reimburse up to $500 of those costs if you sign a Franchise Agreement with us within 60 days after you attend the Discovery Day. The additional funds estimate includes the unreimbursed costs. The indicated amounts represent a 3-month estimate of operational costs that are not itemized above and include employees' salaries and fringe benefits, uniform cleaning, telephone expenses, 2 months of lease payments for 1 Vehicle, lease payments for repair equipment, legal and accounting expenses, general operating costs, the set-up fee to establish your home page on our website, and the cost of a background check you must pay for before we will grant you a franchise, and other miscellaneous expenses. In addition, the high end of this range assumes you lease 1 Vehicle, and are in jurisdiction that requires you to pay taxes on the 1 Vehicle in a lump sum and that lump sum is equal to $6,930, which assumes a $1,100 monthly lease payment (not including the administrative fee) and a tax rate of 10.5 %. Again, the applicable tax rate may be higher in your jurisdiction and is subject to change. We have relied on our experience and NFI's experience in the glass repair and replacement industry in formulating these estimates.

(18) These estimates represent your total initial investment to begin operations, and do not include any interest costs or principal repayments. We recommend that you have enough cash available before starting your business to meet your initial investment and working capital requirements. If you must obtain financing for some or all of your capital needs, then your initial cash requirements will be reduced accordingly; however, your future monthly cash needs will increase by the amount necessary to pay the interest costs and principal repayments required under the terms of your financing arrangement.

(19) All fees and payments are nonrefundable unless negotiated differently with a supplier.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

All vehicles, equipment (including computer hardware and software), insurance (as further described below), fixtures, supplies, inventory and other items you purchase or lease for use or sale in your business must meet our specifications. Our specifications may include standards for delivery, performance, design, appearance and quality. We will issue the specifications to you before you begin operating. These specifications may be included in our Operations Manual and other manuals, or they may be separately issued. As we develop additional specifications or modify existing specifications, we will separately deliver them to you. While we do not have specifications for local advertising you create to promote your business, we do require that you obtain our prior approval to the use of any advertising materials you prepare and before establishing certain websites and social media sites, profiles and accounts relating to us, to your Novus® business or to the Novus® system.

We currently require that you have the following minimum levels of insurance coverage: general liability insurance of at least $5,000,000; garage keepers insurance of at least the greater of the full value of a vehicle under your care, or the maximum value of the vehicles you normally service; Vehicle Insurance (as described below); umbrella liability insurance of at least $1,000,000; workers compensation insurance of at least $1,000,000; environmental liability insurance of at least $1,000,000; and "all risks" property

insurance (including flood, quake, sewer-backup and boiler and machinery coverage). Under each Vehicle Lease Agreement, you must also purchase from our designated insurance provider (having an A.M. Best rating of A- or better), the following "**Vehicle Insurance**": (i) comprehensive fire and theft coverage with a maximum deductible of $1,000; (ii) collision coverage with a maximum deductible of $1,000; (iii) automobile liability insurance with minimum limits for bodily injury or death of $2,000,000 for any 1 person and $2,000,000 for any 1 accident and $100,000 for property damage, or $2,000,000 combined single limit, (iv) GAP insurance of at least the minimum amount we specify; and (v) any other minimum insurance we specify. If offered, you will also have adequate uninsured motorist insurance coverage. To the extent you are not required to lease the vehicles you use in the operation of your Novus® business from us, or for any other automobiles or vehicles owned or used by you or any of your employees (including automobiles owned or leased by any of your employees) in connection with the business and not leased from us, you must purchase and maintain vehicle/automobile insurance coverage that meets the same minimum requirements described above.

The items you purchase or lease in accordance with our specifications will represent approximately 90% of the total purchases you will make to begin operations. Once you begin operating, the items you purchase or lease that must meet our specifications will represent approximately 50% of your total annual expenses.

As indicated in Item 5 of this Disclosure Document, there are certain items you must purchase or lease from us when you begin operating your Novus® business. These items include initial training, at least 1 Vehicle (unless we elect, in our sole discretion, to delay the requirement that you lease Vehicles from us and sign a Delay of Vehicle Leasing Requirement Addendum with you, as further described in Items 6, 7 and 10), your equipment packages, your initial software package, your Identification Package, an Initial Marketing Start-up Package, and establishment of a home page for you on our website and initial call center services. The costs associated with each are identified in Items 5, 6, 7 and 10. Except as otherwise noted in this Disclosure Document, we are the only approved suppliers of these items. In addition, we are the only approved supplier for resins, and an affiliate of ours is the only approved supplier for windshield repair bridges and certain other equipment used for windshield repair. We reserve the right to designate additional products or services for which we or our affiliates may be approved suppliers, or the only approved suppliers. As of the issuance date of this Disclosure Document, we have designated our affiliate SRP as the only approved supplier of urethane adhesives, and you must purchase these urethane adhesives from SRP for use in your Novus® business.

We have approved certain other suppliers of products and services to be used by our franchisees and will provide you with a list of these approved suppliers. Except for the items we designate as being available only from specific designated sources, you may submit a written request to us for the right to purchase equipment and products of equal quality, performance, and standards from other suppliers whose products and services meet our standards and specifications. We will charge you a fee for supplier approval requests and will not unreasonably withhold approval of these requests. The current minimum fee is $250. We may do product quality testing, including tests for stress, heat, cold, and other factors, before we give our approval. We do not have written criteria we use for approving suppliers. We will typically tell you whether we approve a supplier within 30 days of receiving all the information we request, but the time could be longer if we must test alternate products and services. If your request for approval is denied, we will provide a written explanation of the reasons for the denial. In some circumstances, we may require the supplier to sign a supply agreement. We may, at any time, revoke approval of a supplier by giving written notice to you and the supplier.

We will frequently negotiate purchase arrangements and favorable pricing arrangements with outside suppliers. We currently have a buying program that provides rebates to us and to our franchisees from participating suppliers. The rebates we receive range from 0% to 11% of the price you pay for products or services you order through the buying program. We currently pay part of these rebates back to the franchisees who made the purchases through a credit to your account once each quarter. We may change

or eliminate this rebate and/or credit program at any time. In addition, in some cases, prices charged by suppliers to company-owned businesses operated by Novus may be less than prices they charge to our franchisees, based on volume, credit, administrative costs or other factors.

We do earn a profit from your and other Novus® franchisees' purchases and leases by charging prices that exceed our cost to purchase or lease these products and other items, and from supplier rebates. Our total revenues from products, services and other items purchased or leased by United States franchisees in 2023 were $253,786, or approximately 4.3% of our total 2023 revenues of $5,836,331. Also, our affiliate, Novus 2, had revenues of $101,450 from the sale of products, services and other items to franchisees in the United States in 2023.

None of our officers own any interest in any of our suppliers, other than in our affiliate Novus 2.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Article/Section in Franchise Agreement and other agreements	Item in Disclosure Document
a. Site selection and acquisition/lease	Articles 8 and 11 – Franchise Agreements Section 7 – Glass Repair Only Re-Franchise Addendum Section 4 and Schedule B – NAPA Co-Location Addendum	Items 7 and 11
b. Pre-opening purchases/leases	Articles 7, 8 and 11 – Franchise Agreements Section 1-4 – Vehicle Lease Section 1 – Equipment Lease Section 4 – Software Sublicense Agreement Section 2 – Glass Repair Only Re-Franchise Addendum Section 2 – Re-Franchise (Retirement) Addendum Section 2 – Standard Re-Franchise Addendum Delay of Vehicle Leasing Requirement Addendum Section 14 – NAPA Co-Location Addendum	Items 5, 7 and 8
c. Site development and other pre-opening requirements	Article 8 – Franchise Agreements Section 2 – Glass Repair Only Re-Franchise Addendum Section 2 – Re-Franchise (Retirement) Addendum Section 2 – Standard Re-Franchise Addendum Sections 3 and 4, and Schedule B – NAPA Co-Location Addendum	Items 6, 7 and 11
d. Initial and ongoing training	Article 9 – Franchise Agreements Section 8 – Glass Repair Only Re-Franchise Addendum Section 6 – ProColor Amendment	Items 5, 7 and 11
e. Opening	Articles 2 and 10 – Franchise Agreements Section 3 – Area Development Agreement Section 9 – Glass Repair Only Re-Franchise Addendum	Items 7, 11 and 12

Obligation	Article/Section in Franchise Agreement and other agreements	Item in Disclosure Document
f. Fees	Article 5 and Sections 2.3, 3.2-3.3, 9.3, 9.5, 9.6, 9.7, 10.2-10.3, 10.5, 11.5, 11.7, 11.16, 11.23, 11.25-11.26, 13.3, 13.5, and 14.9 – Franchise Agreements Sections 2-4, 8-10, 13-15, 17-19, and 21 – Vehicle Lease Sections 1 and 3 – Equipment Lease Section 6 – Software Sublicense Agreement Sections 4-5 – Glass Repair Only Re-Franchise Addendum Sections 2, 6B and Rider – Area Development Agreement Section 4 – TAG Network Participant Agreement Sections 4-7 – ProColor Amendment Delay of Vehicle Leasing Requirement Addendum Section 19 – NAPA Co-Location Addendum	Items 5, 6 and 7
g. Compliance with standards and policies/ Operating Manual	Articles 6 and 11 – Franchise Agreements Sections 11, 12, 17, and 18 – Vehicle Lease Section 3(i) – TAG Network Participant Agreement Sections 5-9, 11 and 12 – NAPA Co-Location Addendum	Items 8, 11, 14 and 16
h. Trademarks and proprietary information	Articles 4 and 6 – Franchise Agreements Section 8.G – Equipment Lease Sections 12-13 – Software Sublicense Agreement Section 1 b. – Area Development Agreement Section 8 – TAG Network Participant Agreement	Items 13 and 14
i. Restrictions on products/services offered	Article 7 and 11 – Franchise Agreements Sections 3 and 6 – Glass Repair Only Re-Franchise Addendum Paragraph 3(a) – TAG Network Participant Agreement	Items 8, 12 and 16
j. Warranty and customer service requirements	Article 11 and Section 2.5 – Franchise Agreements Sections 11, 12, and 17 – Vehicle Lease Section 5 – Equipment Lease Section 14 – Software Sublicense Agreement Sections 3(b)-(d) – TAG Network Participant Agreement Section 12 – NAPA Co-Location Addendum	Items 11 and 12
k. Territorial development and sales quotas	Sections 2.2, 2.5 and 2.9 – Franchise Agreements Section 3 and Rider – Area Development Agreement	Item 12
1. Ongoing product/service purchases	Article 7 – Franchise Agreements Sections 1-3 – Vehicle Lease Section 1 – Equipment Lease	Item 8

Obligation	Article/Section in Franchise Agreement and other agreements	Item in Disclosure Document
m. Maintenance, appearance and remodeling requirements	Sections 11.5-11.8 – Franchise Agreements Section 12-15, 17, and 18 – Vehicle Lease Sections 8.D and 11 – Equipment Lease Section 9 – Software Sublicense Agreement Section 9 – NAPA Co-Location Addendum	Item 11
n. Insurance	Article 12 – Franchise Agreements Section 7 – Vehicle Lease Section 8.H – Equipment Lease Section 6 – TAG Network Participant Agreement Section 14 – NAPA Co-Location Addendum	Items 6 and 8
o. Advertising	Article 10 – Franchise Agreements Section 9 – Glass Repair Only Re-Franchise Addendum Sections 5-7 – NAPA Co-Location Addendum	Items 6, 7 and 11
p. Indemnification	Article 19 – Franchise Agreements Section 24 – Vehicle Lease Sections 4, 9 and 13 – Equipment Lease Sections 16-17 – Software Sublicense Agreement Section 8 – Area Development Agreement Section 7 – TAG Network Participant Agreement Section 18 – NAPA Co-Location Addendum	Item 6
q. Owner's participation/ management/ staffing	Article 9 and Section 11.19 – Franchise Agreements	Items 11 and 15
r. Records/reports	Article 13 – Franchise Agreements Section 7 – Vehicle Lease Section 3(f) – TAG Network Participant Agreement	Item 6
s. Inspections/audit	Article 13 – Franchise Agreements Section 9, 14, 17, and Schedule A – Vehicle Lease Sections 10 and 13 – NAPA Co-Location Addendum	Item 6

Obligation	Article/Section in Franchise Agreement and other agreements	Item in Disclosure Document
t. Transfer	Article 14 – Franchise Agreements Section 23 – Vehicle Lease Section 19 – Equipment Lease Section 18 – Software Sublicense Agreement Section 7 – Area Development Agreement Sections 15 and 16 – NAPA Co-Location Addendum	Item 17
u. Renewal	Section 3.2 – Franchise Agreements Section 8 – Software Sublicense Agreement Section 2 – Equipment Lease Section 3 – ProColor Amendment	Item 17
v. Post-termination obligations	Article 17 and Sections 18.3, and 20.11 – Franchise Agreements Sections 6, 8, 13, and 24 – Vehicle Lease Section 14 – Equipment Lease Sections 8 and 21 – Software Sublicense Agreement Section 3-4 – Re-Franchise (Retirement) Addendum Section 12 – Glass Repair Only Re-Franchise Addendum Section 6 – Area Development Agreement Section 2(c) – TAG Network Participant Agreement	Item 17
w. Non-competition covenants	Article 18 – Franchise Agreements Section 8 – Area Development Agreement Sections 11-12 – Glass Repair Only Re-Franchise Addendum Section 17 – NAPA Co-Location Addendum	Items 15 and 17
x. Dispute resolution	Articles 20-21 and Section 15.4 – Franchise Agreements Section 30 – Vehicle Lease Section 29 – Software Sublicense Agreement Section 8 – Area Development Agreement Sections 9 and 10 – TAG Network Participant Agreement	Item 17
y. Other: Guaranty of franchisee obligations(1)	Personal Guaranty (which follows the Franchise Agreements and the Area Development Agreement) Section 29 – Vehicle Lease (guarantors may be required to sign)	Item 22

(1) Each individual who is an owner of any business entity that is the franchisee must sign a personal guaranty of all the obligations of the franchisee. This guaranty also includes an agreement to be bound personally by all provisions of the Franchise Agreement and any other agreement between us and you, or between you and any of our affiliates, including the confidentiality and noncompete provisions of the Franchise Agreement. The personal guaranty is attached to the Franchise Agreement.

ITEM 10
FINANCING

Except as noted below and elsewhere in this Disclosure Document, we will lease Vehicles to all franchisees for use in their Novus® businesses, and Novus 2, an affiliate of ours, will lease certain equipment to all new franchisees.

SUMMARY OF FINANCING OFFERED

Item Financed - Source	Amount Financed	Down Payment	Term	Monthly Lease Payment	Pre-Pay Penalty	Security Required	Liability Upon Default	Loss of Legal Right on Default
Vehicle - Us[1][3]	Value of Vehicle, plus applicable taxes (except if required to be paid in lump sum)	$3,800 to $4,100, including first monthly lease payment (including an administrative fee and any applicable taxes (except for any lump sum tax payments)), and a $2,500 security deposit	60 months[1]	$1,300 to $1,600 (including an administrative fee and any applicable taxes (except for any lump sum tax payments)), subject to adjustments for changing tax rates	None, but there is no right to early termination	We retain certain security interests in Vehicle[1]	Repossession of Vehicle; payment of our costs and expenses	Defenses are not waived

(1) Except as noted below and elsewhere in this Disclosure Document, we will lease to you each of the Vehicles you use in your Novus® business. You will enter into a separate Vehicle Lease Agreement (Exhibit E to this Disclosure Document) for each Vehicle you lease from us. You may be required to sign as a guarantor. The Vehicle Lease Agreement will be for a term of 60 months. You will make monthly payments to us, as further described in Item 6. We and Head Lessor are the owners of each Vehicle for all purposes and we retain all benefits of ownership. In all cases, your property rights in each Vehicle are limited to rights of possession and use to the extent detailed in the Vehicle Lease Agreement. You must assign to and give us a security interest in the proceeds, cancellation refund, or other rights you may have under any mechanical breakdown protection service or insurance contracts you purchase with respect to the Vehicle Lease Agreement, and provide to us a security interest in the Vehicle as security for the performance of your obligations under the Vehicle Lease Agreement. You authorize us to file 1 or more financing statements to evidence this security interest, and agree to sign all necessary financing statements and other documents to evidence this security interest. The Vehicle Lease Agreement and the Vehicle may not be the subject of any other security interest, lien, levy, attachment or execution by your creditors or any financial institution. Because each Vehicle Lease Agreement we enter into is a sublease of the master lease agreement we entered into with Head Lessor, if our lease for a particular Vehicle or our master lease agreement is terminated for any reason, then your rights under each respective Vehicle Lease Agreement will likewise be terminated, and your rights under the Vehicle Lease Agreement will be subordinate to the rights of the lease which we entered into with the Head Lessor. You will be in default of the Vehicle Lease Agreement if you (i) fail to make required payments, (ii) provide false or misleading information to us, (iii) breach its terms, (iv) become insolvent or file for bankruptcy, (v) fail to repair or maintain the Vehicle as required, (vi) transfer, sublease, rent or assign it, the Vehicle, or your right to use the Vehicle without our written

consent, (vii) the Vehicle is lost, stolen, destroyed or determined to be unsuitable for use, and/or (viii) are in default of any of the terms of the Franchise Agreement. If you are in default and fail to cure the default (to the extent it is curable), we may terminate the Vehicle Lease Agreement, repossess the Vehicle, and recover our damages, costs and attorneys' fees, as further described in Item 6, note (9). The Vehicle Lease Agreement does not require you to waive any defenses.

Notwithstanding the above, if we elect, in our sole discretion, to delay the requirement that you lease Vehicles from us and you sign a Delay of Vehicle Leasing Requirement Addendum with us, until you sign our then-current Vehicle Lease Agreement with us, the leasing terms described in this Item 10 will not apply to you and you will be solely responsible for negotiating any Vehicle lease arrangements with third parties. In addition, as described in the Delay of Vehicle Leasing Requirement Addendum, at the time you sign our then-current Vehicle Lease Agreement, the terms of that agreement may be different than the terms described in this Item 10 and in the current version of the Vehicle Lease Agreement included in this Disclosure Document.

(2) Novus and Novus 2 reserve the right to sell, assign, or discount to any third party, in whole or in part, any note, contract, lease or other instrument you sign. If Novus or Novus 2 were to do so, you would lose any defenses against the lender as a result of the sale of assignment of your obligations. Novus and Novus 2 do not guaranty your notes, leases or other obligations.

Except as set forth above, we and our affiliates do not provide any direct or indirect financing to you.

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

Except as listed below, Novus is not required to provide you with any assistance.

11.1 Services Provided by Novus Before Opening of Business.

As further described in Item 5, we or our affiliate, Novus 2, will directly provide to you (a) your first Vehicle, except as noted below and elsewhere in this Disclosure Document, and (b) certain equipment, tools, supplies, and promotional materials that you will purchase or lease for your Novus® business. (See Articles 2 and 7 of the Franchise Agreements; Vehicle Lease Agreement; Equipment Lease Agreement.) As further described in Item 5, we will arrange for the delivery of your first Vehicle. We also will arrange for the delivery of the equipment, tools, supplies, and promotional materials that you purchase or lease from us or Novus 2, although we will not assist with the installation of these items. We will provide you with specifications relating to these items as further described in Item 8. Notwithstanding the above, if we elect, in our sole discretion, to delay the requirement that you lease Vehicles from us and sign a Delay of Vehicle Leasing Requirement Addendum with you, we will not make available to you your first Vehicle.

If you operate from a retail location, then we have the right to review the proposed location or area in which you will conduct business before you open your business at that location or area. (If you sign an Area Development Agreement, this will also be true for each retail location developed under the Area Development Agreement and we will apply our then-current standards relating to our review for each retail location (see Item 12)). We do not select or approve your site, but if you are a retail location franchisee and request assistance, we will consult with you, and provide our input, in selecting a site for your retail location, and at your request, assist you in negotiating the lease for that location. (See Article 8 of the Retail Franchise Agreement.) We do not own premises and lease them to you.

If you fail to either purchase or lease a site for your business within 90 days of the date of your Franchise Agreement, as long as you lease from us and begin operating a mobile Vehicle from which you offer the Novus products and mobile services within that time, we will give you an additional 90 days to purchase

or lease a site for your business. If at that time you have not purchased or leased a site for the business, then we will have the option to either terminate your Franchise Agreement or allow you to convert to a franchise for a mobile business.

We will provide an initial training program for up to 2 people. (See Article 9 of the Franchise Agreements.) (If you want to send additional people to the training program, you may do so at an additional cost. See Item 5 for additional information.) Either you or your manager must attend and successfully complete the training to our satisfaction within 60 days after your sign the Franchise Agreement, and before you begin operating your Novus® business. However, you may defer the glass replacement training until after you open your business, so long as it is taken within 60 days after you complete the glass repair training. The initial training covers business and operational methods, promotional techniques, glass repair, glass replacement, other services, service techniques, and related methods of developing your business, and is designed to assist you in beginning the operations for your Novus® franchise.

We offer the initial training sessions every month, or as frequently as is necessary to train new franchisees before they open their business. You must pay all costs of transportation, food and lodging for the people who attend the training on your behalf, but we may furnish some meals. The following table summarizes the initial training we provided as of December 31, 2023:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of on the Job Training	Location (Note 1)
Business Operations(2)	4	0	Online
Sales Skills Training(2)	4	0	Online
Business Management(2)	4	0	Online
Advertising and Marketing(3)	18-22	0	Online and Webinar
Glass Repair Training(2)	20-22	2-4	Our office in St. Paul, Minnesota
Glass Replacement Training(4)	6-10	54-58	Regional Training Centers: (Concord, California, Atmore, Alabama, Newton, Iowa, or Longmont, Colorado) or our office in St. Paul, Minnesota
Customer Service Training(2)	6 (+4 online)	6	Regional Training Centers: (Concord, California, Atmore, Alabama, Newton, Iowa, or Longmont, Colorado) or our office in St. Paul, Minnesota

(1) We may designate another location for any of our training programs at any time. We also may elect, in our sole discretion, to offer all or a portion of any of our training programs electronically/virtually, including classroom training.

(2) Jay Bickford provides most of this training. Mr. Bickford owned and operated his own Novus Repair franchise for 5 years before joining NFI. He has more than 25 years' experience in Novus® business operations, and was NFI's Director of Training and Development from 2001 until May 2017 when he assumed the same position for us, and in January 2021 he assumed the same position

for our parent, Mondofix. He also manages our National Accounts Development and Preferred Provider Vendor programs.

(3) Advertising and Marketing is taught by Mary Nelson as part of the Glass Repair Training. Ms. Nelson has extensive experience in this area, having worked for more than 20 years in advertising and marketing positions for various franchisors, including more than 17 years with us and our predecessor.

(4) We may substitute on-the-job training for some of this classroom training. If we do, the additional on-the-job training would likely be at your retail location.

(5) The glass replacement training is provided by Gary Neves, Wesley Wenger, Jay Bickford, and Trent Alberts. Mr. Neves has over 30 years' experience in glass replacement and has been a Novus® franchisee since 2014. Mr. Wenger's experience in glass replacement has been as a Novus® franchisee since 1999. Mr. Alberts has over 20 years' management experience and has been a Novus® franchisee for 6 years. The experience of Mr. Bickford is included in note (2) above.

You must have at least 1 full-time employee (who may be you or the manager) who performs glass repair and replacement services. Unless you are an experienced master auto glass technician certified by the AGSC (or other certifying organization acceptable to us), or have a full-time employee who is so certified, and you or your employee passes our glass replacement test as described below, you or an employee must attend and successfully complete the initial glass replacement training, which will be conducted over a period of approximately 5 days. All Regional Training Centers are operated by Novus or experienced Novus® franchisees who own and operate franchises and who use a training curriculum we develop. The purpose of the glass replacement training is to teach the fundamentals of glass replacement. You will not become an expert in glass replacement, but you will be taught basic techniques and methods and will be provided with criteria for hiring experienced glass replacement installers. We recommend you initially hire an experienced glass replacement installer. In addition, the Regional Training Center will provide you with continued support to increase your level of expertise in glass replacement for 60 days following the training.

We will (i) waive the initial glass replacement training requirement (but not any portion of the Initial Training Fee) if the principal owner/operator is an experienced master auto glass technician certified by the AGSC (or other certifying organization acceptable to us) who passes our glass replacement test, and (ii) we will provide you with a credit which you can use for product purchases. Alternatively, we will defer the glass replacement training requirement (but not any portion of the Initial Training Fee) if, by the time you open, you employ a full-time experienced master auto glass technician certified by the AGSC (or other certifying organization acceptable to us) who passes our glass replacement test. If that person stays in your employ full-time continuously for 1 year following the opening of your business, we will then waive the glass replacement training requirement and provide you with a credit which you can use for product purchases. The credit will be $2,000 less a testing fee of $500 and any out-of-pocket costs we incur if we provide the test outside our offices.

If you are purchasing an existing Speedy Glass business to operate as your Novus Glass® business, if you previously worked in the business for at least 1 year, and if we determine that you have satisfactory business and technical experience (including Novus Glass® Repair Training) such that you do not need all or part of these training programs, we may waive your obligation to attend these programs, and waive the portion of the Initial Training Fee that we attribute to any portion of the programs that we waive.

We also offer an optional Flat Glass Training program that you can take before you begin operating, or after you have started operating. It is a two-week training program that we offer. The fee that you must pay for this program is $5,000. It will be offered approximately monthly (or less often if not needed or requested). This training will not make you an accomplished flat glass installer, but it will provide a

management overview to you, with basic instruction on hands-on flat glass handling and installation. We do not require that you attend the training, but if you do, you are responsible for your own travel and living expenses. The following table summarizes the Flat Glass Training we provided as of December 31, 2022:

Subject	Hours of Classroom Training	Hours of on-the-job Training	Location (Note 1)
Residential flat glass services, including windows, doors, screens, mirrors, frames, furniture, cabinetry and other glass needs[(2)(3)]	40	40	Tacoma, Washington or Atmore, Alabama.

(1) We may designate another location for any of our training programs at any time. We also may elect, in our sole discretion, to offer all or a portion of any of our training programs electronically/virtually, including classroom training.

(2) The training will be provided by Cameron Boeckner. Mr. Boeckner is a Novus Glass® franchisee with over 15 years' experience in this industry.

(3) The instructional materials for the initial training program are made up of our Operations Manual, our Original Equipment Manufacturers' Installation Materials, and other miscellaneous supplemental materials we provide to you.

You must pay salaries and fringe benefits and all costs of transportation, food and lodging for you, your manager, and all of your other employees who attend any of the training programs.

The instructional materials for the initial training program are made up of our Operations Manual, our Original Equipment Manufacturers' Installation Materials, and other miscellaneous supplemental materials we provide to you.

After you and/or your manager have successfully completed the required initial training, we will, for your first Novus franchise, make a "fast start" field representative available to you in your Territory to provide additional training. The training will consist of up to 2 weeks (but not consecutively) of training for a retail location franchise, and 1 week for a mobile franchise. This assistance will be provided to you during the first 2 months after you begin operating and is designed to assist you in your initial business operations (see Section 9.5 of the Franchise Agreements). In addition, at your request, we will provide additional telephone advice on business development, employee requirements, implementing the Novus® business system, and evaluating initial business operations during the first 60 days after you complete your training. (See Section 10.1 of the Franchise Agreements.)

Before you begin operating, we will also loan to you copies of our current manuals, our Original Equipment Manufacturers' Installation Materials, and opening materials, or we will provide you access to a secure website that contains these items (see Section 6.1 of the Franchise Agreements). Our Auto Glass Replacement Manual contains 76 pages; our Auto Glass Replacement Workbook contains 75 pages; our Windshield Repair Manual contains 150 pages; our standard Operations Manual contains 249 pages; and our Brand Standards Manual contains 67 pages. Copies of the tables of contents of these manuals are attached as Exhibits I-1–I-5 to this Disclosure Document.

We provide approved opening advertising and/or promotional materials you can use for the opening of your Novus® business. (See Section 10.2 of the Franchise Agreements.)

Except as described above and below, we provide no other supervision, assistance or services to you before you open or during the operation of your Novus® business, including assistance in establishing prices.

For a retail location franchise, we estimate that it will take 3 weeks to 6 months from the time you sign the Franchise Agreement until you open your business. For a mobile franchise, we estimate that it will take 3 weeks to 3 months from the time you sign the Franchise Agreement until you open your business. In either case, your opening date will be affected by factors such as completing training, acquiring inventory and supplies, and, in the case of retail location franchises, locating and remodeling your business premises.

11.2 Obligations of Novus During Operation of Business.

We or our affiliates will directly provide to you (a) Vehicles, except as noted below and elsewhere in this Disclosure Document, equipment and products that you will purchase or lease for your Novus® business, (b) approved training programs in glass repair and glass replacement, (c) management and selling techniques, and (d) a representative available by telephone to assist you in implementing our business system. (See Articles 2, 7, 9, 10 and 11 of the Franchise Agreements; Vehicle Lease Agreement; Equipment Lease Agreement.) As further described in Item 5, we will arrange for the delivery of Vehicles, equipment and products that you purchase or lease from us or our affiliates, although we will not assist with the installation of any items. We will provide you with specifications relating to these items as further described in Item 8. Notwithstanding the above, if we elect, in our sole discretion, to delay the requirement that you lease Vehicles from us and sign a Delay of Vehicle Leasing Requirement Addendum with you, we will not lease Vehicles to you until you sign our then-current Vehicle Lease Agreement.

Advertising and Marketing

You agree to pay to us Marketing Contributions equal to 2% of your Gross Revenues. We will allocate these contributions to a Marketing Fund we will maintain and administer. See Section 10.5 of the Franchise Agreements. These Marketing Contributions are accounted for separately from our other funds, and are not used to pay any of our general operating expenses other than our cost of administering the Marketing Fund, including salaries and overhead in administering the Marketing Fund. Any amounts that are not spent from the Marketing Fund in one year are carried forward for use in future years. We have no other obligation to conduct advertising or marketing for your business. Previously, we did not maintain a Marketing Fund, or collect Marketing Contributions from our franchisees, but our franchisees paid us a higher royalty, and we generally allocated 37.5% of the royalty we received to pay for marketing contributions. For those franchisees, we will contribute those amounts to the Marketing Fund so long as the former contract provisions dealing with marketing expenditures remain in effect. Novus® businesses that we or our affiliates operate will contribute to the Marketing Fund on the same basis as our franchisees.

We have the right to determine how, where, and when contributions to the Marketing Fund will be spent and the amount that will be spent for media, production and other advertising and marketing concepts. We are not required to spend any amounts in your Territory or marketing area. We have the right to use the Marketing Fund to purchase and pay for product research and development, sales and marketing materials, advertising materials, ad slicks, brochures, radio and television commercials, services provided by advertising agencies, market research, media time and space advertising (including local, regional or national radio, television, newspaper, magazine and other print advertising), promotions, development and protection of our Marks, marketing, public relations, telemarketing, the establishment and maintenance of Internet sites promoting our brand, including social networking and social media sites, sales persons or agencies to represent franchisees, the cost of providing toll-free and other telephone services for the benefit of our franchisees, administrative expenses in operating the Marketing Fund, and other national, regional and local advertising and promotion that we deem appropriate. We also have the right to use the Marketing Fund for advertising, marketing and promoting glass replacement services, glass repair services, and other

services, in any combination, way, and/or manner that we deem appropriate, even if you do not offer some of these products or services in your business.

We work with a national advertising company to develop our advertising. We also have an advisory council that advises us on the Marketing Fund. The council is comprised of 7 franchisees. Six of the members are selected by our franchisees, by region, and we select one franchisee member as an at-large member. The council serves in an advisory capacity and we have the right to change or dissolve the council at any time.

We do not, and will not, use the Marketing Fund for advertising that is primarily intended to help us sell franchises. We have no obligation to spend any portion of the Marketing Fund in your Territory or for your business, or to promote any particular segment of your business. If you request it, we will provide you with a report of the Marketing Fund within 120 days after the end of each calendar year, however, we do not audit the Marketing Fund.

During the fiscal year ended December 31, 2023, expenditures from the Marketing Fund were made in the following categories:

Item	Percent Expended
NOVUS Online Marketing Program Maintenance, Customer Service Support and Tracking	33%
NOVUS Social Media Campaigns	5%
Business Listing Management Program	7%
NOVUS Reputation Management	5%
Advertising Placements	3%
General Administration	8%
Trade Show and Events	39%

We will develop and sell sales, marketing and advertising materials to you that you can use to advertise your Novus® business in your market. (See Sections 10.2 and 10.5 of the Franchise Agreements.) We may create those materials or use outside advertising agencies to create these materials. You may use advertising materials you develop, but you must first submit them to us and obtain our approval. You must spend 4% of your Gross Revenues for local advertising. If you sign the Co-Location Addendum, you may be permitted to jointly advertise your Novus® business with your other businesses at your facility; however, if so allowed, you may apply only 50% of the cost of joint advertising to your 4% local advertising requirement.

If there are 2 or more Novus® franchisees in a local market, we may require you to join a local advertising cooperative, and your contributions to the cooperative will apply toward your 4% local advertising requirements. To date, we have not formed any of these cooperatives. We reserve the right to form, change, dissolve, or merge advertising cooperatives. If we require you to participate in an advertising cooperative, then we will determine the administrative responsibilities, governing documents and reporting procedures.

You must use our designated digital marketing supplier (as of the issuance date of this Disclosure Document, this is Eulerity). For the first 6 months of operation of your Novus® business, we will pay for a $500 per month media spend for you with our digital marketing supplier. After 6 months of operation of your Novus® business, you must spend $500 per month on media spend with our designated digital marketing supplier. This designated digital marketing supplier media spend will apply toward your 4% local advertising requirement.

You must at all times have access to the internet and maintain an e-mail address. You will not establish a website or home page on the internet, or create any social networking and/or social media website, profile, or account for your business, or making reference to us, your Novus® business, or the Novus® system, without first getting our approval, and except in compliance with our internet policy or other policies, requirements and specifications we may establish.

Additional Training

If this is your first Franchise Agreement with us, then within 2 months after you begin operating, we will send a member of our training staff to your market to provide approximately 1 week of in-the field training to you. (See Section 9.5 of Franchise Agreements.) We will also occasionally offer additional or advanced training programs to improve the standards of services and products offered under the Novus® business system, or to maintain the product and service consistency we require. (See Section 9.7 of the Franchise Agreements.) You, your manager and/or your employees must, at your expense, attend and successfully complete all additional or advanced training programs that apply to your franchise, and you must pay us our then-current training fee for this training, but we do not currently have any fees for additional training.

National or Regional Accounts

We will promote you for involvement with national or regional accounts, including insurance companies, with whom we have contacts. If we offer you the opportunity to provide services to a national or regional insurance company, fleet account, or other account in your Territory, you must service the account and comply with all our procedures for servicing the account. In some cases, the accounts may pay us for your services, in which case we will remit your portion of the payment to you within 30 days after we receive the payment, provided you are current in all your financial obligations to us and our affiliates and you are current in all your financial obligations to all suppliers with which we have a relationship. (See Section 7.10 of the Franchise Agreements.) If you are not current in any of these obligations, we will have the right, but not the obligation, to withhold an amount necessary to bring your obligations current, and we will then remit the balance, if any, to you.

Computer Systems

You will purchase a laptop computer and printer from us for use in your business (our Vehicle Office Package, which is one of our Additional Equipment Packages). It will be pre-loaded with point-of-sale software, accounting software, and a chart of accounts for use in your business. The cost is $1,500. If you have a retail location franchise, you must purchase a second computer to integrate with the laptop computer. You will also need a smart phone, but we do not designate any particular model or brand. We recommend you use that phone as a hotspot to provide Internet service to your laptop. You must use our POS software in operating your business. We will license the software to you the first year for $3,000. This fee includes a set-up fee, the basic license for 5 users for 1 year, any Shop Onboarding Fees, and all upgrades for the first year. Beginning the second year, the license fee for this license (includes 5 user licenses), is currently $300 to $350 per month and $25 to $30 per user per month for any additional users. If we implement or update to a new software package, there is a Shop Onboarding Fee of $300 to $350 which covers the costs associated with such implementation or update and any associated training on how to use the new software. If you add additional applications, there will be additional license fees. For example, Technician Route Direct is available at $50 to $60 per user per month, and if you want assistance integrating the software with QuickBooks, there is an additional set-up fee of $250 to $350 per location. There is also a mobile application available for $20 to $35 per month per user. If you want a Microsoft Office Standard online subscription, the fee for that subscription is $20 to $25 per month per user. There is a $2 per transaction fee for insurance work. You must obtain upgrades as we require, and there is no limitation on our right to require you to upgrade the hardware or software, but there is no additional cost for these upgrades, as the

cost is included in the monthly license fee. If you are currently at the end of the initial term of your Franchise Agreement, and you re-franchise, you will not pay us a new setup fee or first year fee but will continue to pay the monthly license fee (currently, $300 to $350 per month, includes 5 user licenses).

You must maintain and repair your computer system and upgrade all computer equipment and software, at your sole cost. We do not have any obligation to provide ongoing maintenance, repairs, upgrades or updates to your computer hardware or software. We will have independent access to the information on your computer system.

You must license and install all software programs we designate, including POS software and accounting software when these software programs become a part of the Novus® business system . You will use your computer to access the Internet, to prepare correspondence related to your business, for billing and financial reporting, and to generate financial statements.

ITEM 12
TERRITORY

When you sign a Franchise Agreement, you will receive the right to operate 1 Novus® business within a territory we designate and describe in your Franchise Agreement ("**Territory**"). If you are granted a retail franchise, you must operate your Novus® business from a retail location within the Territory that we approve and describe in your Franchise Agreement. As a retail franchisee, you also must lease from us and use in the operation of your retail business at least 1 specially equipped vehicle. If you are granted a mobile franchise, you must lease from us and use in the operation of your mobile business at least 1 specially equipped vehicle, but may not maintain a retail location.

While there is no minimum size for your Territory, we use mapping software and vehicle data from a third-party source to determine the Territory, which will consist of one or more zip codes, or partial zip codes. Typically, the Territory we designate will include approximately 120,000 vehicles or more. However, the exact size may also depend upon various factors including demographics, geographic area, natural boundaries and access to streets and highways, neighborhood character, location and number of competing businesses (including existing Novus® franchisees and licensees), site availability, and other factors.

As long as you are in compliance with your Franchise Agreement, we will not operate, or grant to any third party any right, franchise or license to operate another glass repair and/or glass replacement business, including a mobile business, using the Marks within the Territory; subject, however, to the rights we previously granted prior to the date of your Franchise Agreement to any existing Novus® franchisees or licensees, or bolt-on license franchisees, licensees or affiliates (who operate other automotive related businesses or non-automotive glass businesses that also offer Novus® products and services), within the Territory, including the renewal or transfer of those rights.

In addition, if at any time you fail to properly service a national or regional insurance company, fleet account, or other account we provide to you in your Territory, then we will have the right, in addition to any other rights we may have under your Franchise Agreement, to service these accounts through another franchisee or licensee, a company owned Novus® business, affiliated or related companies, other service providers, and all other methods of service, without payment of any compensation to you. If you have a customer that requests any glass product or service that you do not offer at your business but that is offered at other Novus® businesses operating within or adjacent to your Territory, then you must refer that customer to another Novus® business before referring that customer elsewhere. If there is another Novus® business within or adjacent to your Territory, then you must refer the customer to that business (or if there is more than one, then to the closest Novus® business to the customer's home or place of business). If there are no other Novus® businesses located within these areas, then you may refer the customer to anyone you choose. You will not be paid for these referrals.

Because of the exceptions described above, you will not receive an exclusive territory for a retail or a mobile franchise. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Except as set forth above, we and our affiliates retain all rights not granted to you under a Franchise Agreement or Development Agreement, including the sale of similar or dissimilar products and services, and any other activities we deem appropriate, without compensating you in any manner when we make sales through these channels or under these brands, whenever and wherever we desire. For example, we can operate, or grant to someone else a franchise or license to operate, at any location outside the Territory, a glass repair and/or glass replacement business, including a mobile business, operating under the Novus mark. We can operate, or grant to someone else a franchise or license to operate a glass repair and/or glass replacement business, or any other business, whether inside or outside the Territory, so long as they do not use the Novus® mark or Novus® business system . We can also purchase, merge with, acquire or affiliate with, or be purchased or acquired by, an existing network, chain, entity, or any other business, regardless of the locations or territories of the other franchise, chain, entity, or other business, whether inside or outside the Territory, and, following any purchase, merger, acquisition, or affiliations, operate, franchise, or license those businesses or being operated, franchised or licensed by those businesses, using the Novus® business system whether inside or outside the Territory.

You may sell the products and services associated with your Novus® business anywhere in the Territory, but you do not have the right to conduct business outside the Territory or solicit business outside the Territory without our consent. While we have the right to withhold our consent in our discretion, if you are in compliance with your Franchise Agreement, and we have not seen or heard any recent significant complaints about your business, we will generally provide our consent to you performing services at locations that are not within the territory or area of primary responsibility assigned to another franchisee or company-owned location.

We also do not prevent our franchisees from advertising their business in any manner (including through channels of distribution like the Internet, catalog sales, telemarketing or other direct marketing), including within your Territory. However, all of your advertising, including your website, must be approved by us, and you may not establish any other website, web page, social media or social networking website, profile or account for your business, or making reference to us, your business, or the Novus® system without our approval.

We do not have a right to change your Territory, even though the number of vehicles within the Territory may increase. However, you may, with our prior written approval, change your Territory. If we approve a change in your Territory, you must pay us a Territory Modification Fee of $2,500 within 10 days after you receive our written approval. In considering whether or not to grant our approval, we will take into account whether you have been in compliance with your Franchise Agreement, whether the new Territory would conflict with any agreement we have with any other franchisee, or, in our opinion, infringe on a territory or area of primary responsibility of another Novus® business, and your reason for wanting to change the Territory.

You receive the right to operate only 1 Novus® business within your Territory unless you purchase additional franchise or license rights or sign an Area Development Agreement. You do not have an option, right of first refusal, or other similar right to acquire additional franchises.

If you sign an Area Development Agreement, we will describe a "**Development Territory**" in the Rider to that agreement. This territory will typically be described as a geographic area in which each of your Novus® businesses must be developed. The criteria we use for determining these territories is simply geographic markets in which we believe it may be feasible to develop multiple (2 or more) Novus®

businesses. If you are in compliance with your Development Schedule, then until your Development Territory rights expire, we will not develop or operate, or grant anyone else a franchise or license to develop or operate a Novus® business from any retail location in the Development Territory, and we will not grant anyone the right to operate a mobile Novus® business within the Development Territory as long as the Area Development Agreement remains in effect. If you will operate the business from a retail location, then we have the right to review the proposed location before you open your business at that location. Any additional territorial protection given to you for that location will be under our then-current standards for sites when you sign the Franchise Agreement for that location. However, we do have the right to operate other Novus® businesses, both retail locations and mobile businesses, and grant the right to others to do so, outside your Development Territory, even if they may compete for customers within your Development Territory. There may also be existing Novus® franchisees or licensees, or bolt-on license franchisees or licensees or affiliates in the Development Territory at the time we enter into the Area Development Agreement with you. If there are, we will notify you of those businesses before you sign the Area Development Agreement, but those businesses may continue to operate under their existing agreements, including having the right to renew those agreements and to transfer their rights to any purchaser of their Novus® business. When the Area Development Agreement expires, you will still have the rights granted to you in any portion of this territory under an individual franchise agreement, as described above.

You must achieve Quarterly Minimum Gross Revenue requirements to maintain your franchise rights. The amount depends on whether or not you have a retail location, and the number of years you have been operating (see Section 2.9 of the Franchise Agreements). If you sign a Repair Only Addendum, you must only achieve Annual Minimum Gross Revenue requirements of $40,000 to maintain your franchise rights. If you do not meet the applicable Minimum Gross Revenue requirements, we may terminate your Franchise Agreement.

Except as described above, we and our affiliates are not restricted in the distribution of products or services through channels of distribution (like the Internet, catalog sales, telemarketing or other direct marketing using the Novus® mark or any other marks), and are not restricted in the establishment of franchised, company-owned, or licensed outlets either within or outside your Territory or Development Territory. We have no obligation to pay you any compensation for soliciting orders inside your Territory or Development Territory. We and our affiliates reserve the right to purchase, be purchased by, merge with or combine with competing businesses, wherever located. We and our affiliates also reserve the right to establish multi-area marketing programs (like Internet, shows and events, directories, and affinity, vendor or co-branding programs) that may require your participation, payment of commissions, and adherence to maximum pricing structures permitted by law, and may allow us and our related companies to solicit or sell to customers located in your Territory or Development Territory. The TAG Network, owned by one of our affiliates, also refers glass claims business to other glass businesses, which may include businesses within your Territory or Development Territory

Speedy Novus Glass owns and operates businesses using the name Speedy Auto Glass, Speedy Glass, Speedy Glass Auto, Residential & Commercial, and Speedy Auto & Window Glass stores (the "**Speedy Stores**"). It does not currently offer franchises for that business, although its predecessor did previously do so and there are some Speedy Auto Glass franchises in existence today. (See Item 20.) Speedy Franchising and Speedy Auto Glass share offices with us. Speedy Stores install and repair auto glass, sun roofs, residential and commercial flat glass, mirrors, insulated windows, shower doors, and related items, and perform automotive paint restoration products and services. Speedy corporate locations may have Novus® add-on franchises or licenses and offer Novus® products and services to their customers. Speedy Stores may be opened, located, and operated within the Territory we grant to you (even if we grant you the right to be a Speedy Glass Certified Dealer), but we currently will not grant any of those stores the right to use Novus® products in their business if that would expressly contravene any exclusive territory we gave to a Novus® franchisee. Novus 2 also sells resins and windshield repair equipment under other brand names

to companies for use in their glass repair businesses, including Speedy. Likewise, Novus 2 may sell or distribute glass adhesives, tools and other products to other glass repair and replacement companies in your Territory, if those products do not have the Novus® trademark on them. All of these businesses could compete with you, and we do not address any conflicts you may have with these businesses over territories, customers or support.

As of the issuance date of this Disclosure Document, these are the only businesses that we or our affiliates operate or plan to operate that sell goods or services similar to those you will sell.

ITEM 13
TRADEMARKS

You will have the right to use the trademarks, services marks, and logos we designate in writing (the "Marks"), subject to certain limitations specified in Articles 2 and 4 of the Franchise Agreements. You may only use the Marks to promote and perform glass repair and glass repair and replacement in accordance with the Novus® business system and under the limitations described in your Franchise Agreement. If your Novus® business does not offer automotive glass replacement, you may not use any of the Marks that are for glass replacement only, and you may not offer or sell glass replacement or related services under any of the Marks.

We have the right to use and license the following principal trademarks that are registered or pending registration on the Principal Register of the United States Patent and Trademark Office (the "**USPTO**"):

Mark	**Registration Date / Filing Date**	**Registration Number / Serial Number**
NOVUS (for plastic polish)	8-10-1976	1,045,704
NOVUS (for glass repair products and equipment)	9-18-1984	1,295,361
NOVUS (for glass repair services)	5-5-1987	1,438,701
NOVUS WINDSHIELD REPAIR and design	11-3-1992	1,729,876
NOVUS (for franchise services)	4-9-1996	1,966,303
NOVUS AUTOGLASS REPAIR AND REPLACEMENT	4-2-1996	1,965,206
NOVUS AUTOGLASS	10-14-1997	2,105,684
NOVUS DING DEVIL design mark	7-7-1998	2,171,794
NOVUS GLASS	6-3-2008	3,441,544
NOVUS GLASS and design	9-16-2008	3,502,594
NOVUSGLASS REPAIR & REPLACEMENT and design	10-14-2008	3,518,345
NOVUS GLASS REPAIR & REPLACEMENT design mark	10-14-2008	3,518,346
NOVUS GLASS THE WINDSHIELD REPAIR EXPERTS design mark	5-20-2008	3,433,099

Mark	Registration Date / Filing Date	Registration Number / Serial Number
REPAIR FIRST, REPLACE WHEN NECESSARY	5-23-2000	2,351,127
THE WINDSHIELD REPAIR EXPERTS design mark	11-12-2013	4,431,147
NOVUS GLASS AUTO GLASS REPAIR & REPLACEMENT color design mark	12-31-2013	4,457,802
NOVUS GLASS AUTO GLASS REPAIR & REPLACEMENT black and white design mark	12-31-2013	4,457,801
NOVUS GLASS REPAIR & REPLACEMENT	4-16-2019	5,727,876
NOVUS GLASS AUTO, RESIDENTIAL AND COMMERCIAL	1-12-2021	6,242,286
CRACK MOUSE	6-5-2001	2,457,554
NOVUS BIG OR SMALL, WE CAN FIX IT ALL (Trademark Application)	7-30-2020 (Filing Date)	90082979 (Serial Number)
NOVUS design mark (Trademark Application)	5-11-2021 (Filing Date)	90703816 (Serial Number)

We do not have a federal registration for the last 2 trademarks listed above. Therefore, these trademarks do not have many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

Except as described above, there are no presently effective determinations of the USPTO, the Trademark Trial and Appeal Board, or the trademark administrator of any state or any court, or any opposition or cancellation proceedings which affect the use of the Marks in any state.

All of the above registrations or applications for the Marks are owned by Mondofix. All affidavits required to preserve and renew these marks have been filed. Under a license agreement with Mondofix, we have the exclusive right to use the registered marks and license them to you. The term of our license agreement with Mondofix is perpetual, unless terminated by Mondofix due to our failure to cure a material breach of the license agreement. If the license agreement is terminated, we would not be authorized to use or license the Marks. However, if our rights to use the Marks are terminated, Mondofix will continue to honor your license to use the Marks if you are not in default under your Franchise Agreement.

You may only use the Marks in the manner we direct. If, in our judgment, you have infringed upon or demeaned the goodwill, uniformity or business standing associated with the Marks, we may require you to discontinue use of the Marks. You agree not to contest our right to use the Marks and the goodwill associated with them.

We are not aware of any currently effective agreements that significantly limit our right to use or license the use of the Marks in any manner material to your business. We know of no rights held by others, nor any infringing uses that could materially affect your use of any of the Marks. You may not use all or a part

of the "Novus®" name or any other Marks, or any similar name, word or symbol or variant, in a domain name, account name, profile or URL without our written consent.

The Franchise Agreements obligate us to protect your right to use the Marks. We will be the sole judge as to whether a suit for infringement will be instituted. We will indemnify you from any damages you may incur resulting solely from your proper use of the Marks within the Territory if you tender defense of the action to Novus under the requirements of your Franchise Agreement.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Mondofix owns the following patents/applications:

(a) Patent No. 7,137,872 – dated 11-21-06 (Scratch Removal Device and Method) Apparatus and methods claims.

(b) Patent No. 7,300,342 – dated 11-27-07 (Scratch Removal Device and Method) Apparatus and methods claims.

(c) Patent No. 7,854,647 – dated 12-21-10 (Scratch Removal Device and Method) Apparatus and methods claims.

(d) Patent No. 7,988,533 – dated 8-2-11 (Scratch Removal Device and Method) Apparatus and methods claims.

(e) Patent No. 7,131,752 - dated 11-7-06 (Articulating Crack Curing Lamp and Method) Apparatus and methods claims.

(f) Patent No. 8,882,562 – dated 11-11-14 (Scratch Removal Device and Method) Apparatus and methods claims.

(g) Patent No. 8,721,311 - dated 5-13-14 (Windshield Repair Apparatus) Apparatus claims.

(h) Patent No. 8,822,961 - dated 9-02-14 (LED Curing Lamp and Method) Apparatus and methods claims.

(i) Patent No. D 720,589 – dated 1-6-15 (Windshield Repair Bridge) Design patent.

(j) Patent No. 9,051,208 – dated 6-9-15 (LED Curing Lamp and Method) Apparatus and methods claims.

(k) Patent No. 11,565,445 – dated 1-31-23 (Articulating Crack Curing Lamp and Method) Apparatus and methods claims.

(l) Patent Application Ser. No.: 17/625,235 – filed 7-10-20 (Thiol-based Adhesive Formulation for Repairing Windshields) Composition claims.

There are no presently effective determinations of the USPTO, the Court of Appeals for the Federal Circuit, nor any pending infringement, opposition or cancellation proceedings, nor any material litigation involving these patents or copyrights, which is relevant to their use in this state or the state in which your business will be located. There are no currently effective agreements that significantly limit the rights of Novus to use or license the use of these patents in any manner material to your business. There are no pending patent applications that are material to the purchase of a franchise.

We have been granted a license by Mondofix to use these patents in selling and servicing Novus® franchises and for providing glass repair and replacement services. You will therefore have the right to use the patents in operating your business when you sign the Novus 2 Equipment Lease Agreement (see Exhibit F). The term of our license agreement with Mondofix is perpetual, unless terminated by Mondofix due to our failure

to cure a material breach of the license agreement. If that license agreement is terminated, we would not be authorized to use or license the patents. However, if our rights to use the patents are terminated, Mondofix will continue to honor your license to use the patents if you are not in default under your Franchise Agreement.

The Franchise Agreements obligate us to protect your rights to use the patented equipment and products and to protect you against claims of infringement or unfair competition relating to the patents or any of our copyrighted materials. Mondofix will control any litigation relating to the patents, and is the sole judge as to whether a suit for infringement will be instituted. We will indemnify you from any damages you may incur resulting solely from your proper use of the patented equipment or products, or copyrighted materials as a part of the Business System, if you tender defense of the action to us under the requirements of your Franchise Agreement. However, as a condition of our obligation to defend or indemnify you, we may require you to modify or discontinue your use of any item that is claimed to infringe upon the rights of others. We know of no rights held by others that could materially affect your use of any of the patented equipment.

We have copyrighted advertising copy and designs, training films, workbooks, the Operations Manual and other manuals, and various other items relating to the operation of a Novus® business. We do not know of any infringing uses that could materially affect your use of any copyrighted material we supply. There are no presently effective determinations of the Copyright Office, the trademark administrator of any state or any court, no pending infringement, opposition or cancellation proceedings, or any pending material litigation involving our copyrighted materials that are relevant to their use in any state. There are no agreements currently in effect, which significantly limit our right to use or license the use of these copyrighted materials in any manner material to your business.

The Operations Manuals and other information relating to the operation of your Novus® business is proprietary to us and must be kept confidential by you and your employees. You may not copy or alter any copyrighted or proprietary materials without our written consent, and you may not use any of these materials for purposes other than operating your Novus® business. You must return the Operations Manual and all other copyrighted or proprietary materials to us when your Franchise Agreement expires or is terminated.

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

You must devote your full-time and best efforts, or have a manager devote his or her full-time and best efforts, to the operation of your Novus® business. If you (the franchisee) are an entity, like a corporation or limited liability company, all individuals with a direct or indirect ownership interest in you that we designate must also sign a personal guaranty of the obligations of the franchisee. You and your manager must attend and successfully complete any required initial training programs for your franchise as described in Item 11 before managing or operating your Novus® business. Other than successful completion of training, we do not impose any hiring restrictions on your selection of a manager. We do not require your manager to have any ownership interest in your business. Your manager and employees must agree to maintain the confidentiality of our confidential and proprietary information and must agree not to reverse engineer any proprietary technology of ours or of our affiliates. You must have at least 1 full-time employee (who may be you or your manager) who spends substantially all of his or her working time either performing or marketing glass repair and glass replacement services. At least half of your employees must have successfully completed either our initial training program or our 3-day employee technical training program (except that if the principal owner/operator of the franchise is an experienced master auto glass specialist certified by the AGSC (or other certifying organization acceptable to us) who passes our glass replacement test, or employs such a person who remains in your employ for 1 year, we will waive the glass replacement training requirement.

Each driver of the Vehicles you use in your Novus® business must have a valid license issued by the appropriate governmental authority, be an authorized driver under the Vehicle Insurance you are required to purchase and maintain, and meet any other requirements we specify. In addition, you and your drivers may not use any Vehicles: (i) in violation of any law or to transport goods or persons for hire, (ii) for purposes that would cause any insurance to be suspended or cancelled, rendered inapplicable or cause the manufacturer's warranty to become void, (iii) outside of the United States, (iv) to race other vehicles or in an automobile rally, (v) to be used in an unreasonable or abusive manner, or (vi) to be used as a taxi.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may not operate any similar or competitive business during the term of your Franchise Agreement. You may not use any other name, trade name, trademark or service mark other than the Marks in your Novus® business. You must sell all of the products and services associated with your Novus® business that we require, and we may add additional product or service requirements during the term of your Franchise Agreement. There are no contractual limits on our right to add product or service requirements. You may not perform windshield repair or automotive glass replacement services outside of your Territory without our consent, at our sole discretion, and which we may revoke at any time. If you are in compliance with the Franchise Agreement, and we have not seen or heard any recent significant complaints about your business, we will generally provide our consent to you performing services at locations that are not within a territory or are of primary responsibility assigned to another franchisee or company-owned location You also may not resell any Novus® resin products or windshield repair equipment to others. If you operate only as a Repair Only business, and you receive inquiries concerning glass replacement services, you must provide the name(s) and telephone number(s) of any Novus Glass® Repair and Replacement businesses in your Territory or any other glass replacement business that we may approve in our sole discretion. If there are no Novus Repair and Replacement businesses in your Territory, then you must provide to the person that made the inquiry the name and telephone number of the closest Novus Glass® Repair and Replacement business to your Territory (or another glass replacement business that we may approve in our sole discretion), unless there is not any such business located within 15 miles of the outer boundaries of your Territory.

If you enter into a NAPA Co—Location Addendum you will be permitted to offer other non-competitive goods and/or services from the shared facility in which you operate your Novus® business, as well as other related businesses. You may be permitted to offer windshield wipers or wiper fluid in conjunction with the other businesses.

Except as set forth above, you are not limited in the customers to whom you may sell your products and services.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement and Other Related Agreements	Summary
a. Length of the franchise term	Sec. 3.1 – Franchise Agreements	10 Years
	Sec. 3(a) and 4 and Rider – Area Development Agreement	10 Years
	Sec. 2 – ProColor Amendment	5 Years (10-year term under your Franchise Agreement is reduced to a 5-year term if you sign the ProColor Amendment)
b. Renewal or extension of the term	Sec. 3.2 – Franchise Agreements	Under terms offered to other franchisees acquiring a similar type of franchise at the time you reacquire the franchise.
	Area Development Agreement – Not applicable	You cannot renew the Area Development Agreement.
	Sec. 2 – ProColor Amendment	Your option to re-franchise for a 10-year term under your Franchise Agreement is reduced to a 5-year term if you sign the ProColor Amendment
c. Requirements for you to renew or extend	Sec. 3.2 – Franchise Agreements	Give 210 days' notice; satisfy all material requirements of your current Franchise Agreement; pay all amounts due to us; modernize your business; sign a new franchise agreement (which may contain materially different terms than your original Franchise Agreement); pay Re-Franchise Fee.
	Area Development Agreement – Not applicable	You do not have the right to renew or extend the Area Development Agreement.

Provision	Section in Franchise Agreement and Other Related Agreements	Summary
d. Termination by you	Article 16 – Franchise Agreements	If we violate any material term of the Franchise Agreement or fail to pay any material uncontested obligations we owe you, subject to state law.
	Area Development Agreement – Not applicable	You do not have the right to terminate the Area Development Agreement, subject to state law.
	Sec. 3 – Re-Franchise (Retirement) Addendum	You may terminate the Franchise Agreement upon 2 years' notice to us after you reach retirement age (defined as 55 years old in the Re-Franchise (Retirement) Addendum).
	Sec. 5 – Vehicle Lease	You do not have the right to terminate the Vehicle Lease early or without cause.
	Sec. 2(b) – TAG Network Participant Agreement	You may terminate the TAG Network Participant Agreement immediately upon notice if we breach and do not cure within 10 days after we receive notice from you.
e. Termination by Novus without cause	Franchise Agreements; Area Development Agreement	We do not have the right to terminate these agreements without cause.
	Sec. 5 – Vehicle Lease	If our lease for a particular Vehicle or our master lease agreement with Head Lessor is terminated for any reason, then your rights under each respective Vehicle Lease will likewise be terminated.
	Sec. 12 – Software Sublicense	If we lose our rights to sublicense the Software, we can terminate the Software Sublicense.
f. Termination by Novus with cause	Sec. 15.1 and 15.2 – Franchise Agreements Sec. 5 – Area Development Agreement Sec. 19 – Vehicle Lease Sec. 15-16 – Equipment Lease Sec. 20-21 – Software Sublicense Sec. 2(b) – TAG Network Participant Agreement Sec. 8 – ProColor Amendment Sec. 3 and 21 – NAPA Co-Location Addendum	If you breach the Franchise Agreement, the Area Development Agreement, any Vehicle Lease, the Equipment Lease, the Software Sublicense, or the TAG Network Participant Agreement.

Provision	Section in Franchise Agreement and Other Related Agreements	Summary
g. "Cause" defined - curable defaults	Sec. 15.1 – Franchise Agreements Sec. 19 – Vehicle Lease Sec. 15 – Equipment Lease Sec. 20 – Software Sublicense	You will have 30 days to cure if you: fail to successfully complete our training program; if applicable, fail to purchase or lease a retail location; fail to open your Novus® business within 6 months; violate any material provision of the Franchise Agreement or any other agreement you or your affiliates have with us or our affiliates (including any other franchise agreement or an Area Development Agreement, but not including a violation of the Development Schedule of an Area Development Agreement); fail to conform to the Novus® business System; fail to pay any uncontested obligation to anyone; issue any check that is dishonored; fail to pay for items required to start your Novus® business; fail to file required tax returns; or are in breach under the Software Sublicense, except for payment of the License Fee. For a franchise without a Repair Only Addendum, you will have 90 days to cure your failure to meet any of our Quarterly Minimum Gross Revenues thresholds. You will have 15 days to cure if you are delinquent in any payments to us. You will have 15 days to cure if you fail to make required payments, fail to repair or maintain the Vehicle as required, or are in default of any of the terms of the Franchise Agreement under the Vehicle Lease. You will have 10 days to cure if you are delinquent in any payment under the Equipment Lease.
	Sec. 8 – ProColor Amendment	The ProColor Amendment contains a cross-default provision under which a breach of your Franchise Agreement or the ProColor® franchise agreement constitutes a breach of the other agreement.
	Sec. 5 – Area Development Agreement	You will have 30 days to cure most defaults that are capable of cure, including violation of any material provision of the Area Development Agreement or of any other agreement you or your affiliates have with us or our affiliates (including any franchise agreement) except those discussed in the next section.
	Sec. 2(b) – TAG Network Participant Agreement	You will have 10 days to cure most defaults.
	Sec. 3 – NAPA Co-Location Addendum	If you have overdue payments, or are not in good standing with NAPA, you will have 30 days to cure.

Provision	Section in Franchise Agreement and Other Related Agreements	Summary
h. "Cause" defined - non-curable defaults	Sec. 15.2 – Franchise Agreements Sec. 5 – Area Development Agreement Sec. 19 – Vehicle Lease Sec. 15 – Equipment Lease Sec. 20 – Software Sublicense	If you are convicted of violating any law relating to your business or a felony; you are determined to be insolvent or are subject or voluntary or involuntary bankruptcy proceedings; you make an assignment for the benefit of creditors; you abandon your business; your conduct materially impairs our Marks or Business System and you fail to correct that conduct within 24 hours of written notice; one of your Franchise Agreements or your Area Development Agreement with us is terminated; if you have a Repair Only Addendum and you fail to meet the Annual Minimum Gross Revenues, or if you fail to comply with our request for an audit. Under the Vehicle Lease, you will not have the right to cure if you provide false or misleading information to us, become insolvent or file for bankruptcy, unauthorized transfer, sublease, rental or assignment of Vehicle Lease or Vehicle, or Vehicle is lost, stolen, destroyed or determined to be unsuitable for use. Under the Equipment Lease, you will not have the right to cure if you are insolvent or bankrupt, or if your Franchise Agreement is terminated. Under the Software Sublicense, you will have no right to cure if you are delinquent in payment of the License Fee, Maintenance Fee or other fee, you are insolvent or bankrupt, or if you are in breach of your Franchise Agreement and do not cure the breach, or if the agreement is terminated.
	Sec. 5 – Area Development Agreement	Your insolvency, any property of yours is levied against, you fail to timely meet your development obligations, one of your Franchise Agreements with us is terminated, or you open any Novus® business before signing a Franchise Agreement with us for that business.
	Sec. 2(b) – TAG Network Participant Agreement	If you dissolve, lose your franchise, abandon the business, are suspected of fraud or willful misconduct or negligence.
	Sec. 16 – NAPA Co-Location Addendum	If you transfer any of the other businesses that operate at the facility to an owner we do not approve.

Provision	Section in Franchise Agreement and Other Related Agreements	Summary
i. Your obligations on termination or nonrenewal	Article 17 – Franchise Agreements Secs. 13-15 and 18 – Vehicle Lease Sec. 14, 16 – Equipment Lease Sec. 21 – Software Sublicense	You must cease using our Marks, alter your business location and any vehicles (to the extent you have vehicles other than Vehicles we lease to you) to distinguish them from those used in a Novus® business; pay what you owe us under your Franchise Agreement, provide us with a customer list, and return all materials, whether printed, electronic or in another format, we provided you. We also may have the right to the telephone numbers, directory listings, domain names, and Internet home pages, websites and social networking or social media sites, profiles and accounts used in your business. Under each Vehicle Lease, you must return the Vehicle, pay all past due fees, and pay the cost of any repairs necessary to put the Vehicle in original condition except for normal wear and tear. Under the Equipment Lease, you must return the equipment to Novus 2 and pay all amounts you owe them. Under the Software Sublicense, you must cease use of the Software, return the Software to us, and pay what you owe us under the Software Sublicense.
	Sec. 6 – Area Development Agreement	You lose all remaining rights to develop Novus® businesses. You also must pay $10,000 for each undeveloped franchise as liquidated damages (subject to state law).
	Sec. 2(c) – TAG Network Participant Agreement	You must complete work on all referrals sent to you, and cooperate to transfer your services to a replacement service provider
j. Our assignment of the contract	Sec. 14.8 – Franchise Agreements Sec. 23 – Vehicle Lease Sec. 18 – Software Sublicense Sec. 7A – Area Development Agreement	No restriction on our right to assign.
k. "Transfer" by you – definition	Schedule A – Franchise Agreements Sec. 7B – Area Development Agreement Sec. 18 – Software Sublicense	Sell, assign, trade, transfer, pledge, lease, sub-lease or otherwise dispose of your rights under the relevant agreement, or of the business, or of any ownership interest by your owners. Sublicense, transfer, rent or lease the Software, except in an assignment of your Novus® business under the terms of your Franchise Agreement.

Provision	Section in Franchise Agreement and Other Related Agreements	Summary
1. Our approval of transfer by you	Sec. 14.9 – Franchise Agreements	We have the right to approve any transfer made by you but will not unreasonably withhold our consent.
	Sec. 7B – Area Development Agreement	You must also transfer all Franchise Agreements you have signed with us to the same transferee.
	Sec. 23 – Vehicle Lease	You may not transfer, rent, or assign any Vehicle Lease, Vehicle or your right to use any Vehicle.
	Sec. 19 – Equipment Lease Sec. 18 – Software Sublicense	We have the right to approve any transfer of the Equipment Lease and the Software Sublicense.
	Sec. 16 – NAPA Co-Location Addendum	We have the right to approve any transfer of the other businesses at the facility.
m. Conditions for our approval of transfer	Sec. 14.9 – Franchise Agreements	You pay all money you owe us; complete a written agreement satisfactory to us; transferee's shareholders agree to be personally bound to the Franchise Agreement; transferee meets our standards; transferee may not be involved in a competing business; transferee signs our current Franchise Agreement; transferee completes training program; you pay the transfer fee and your transferee must pay a training fee if they are not an existing Novus® franchise; you sign a general release of all claims (subject to applicable law).
	Sec. 7B – Area Development Agreement	You must also transfer all Franchise Agreements you have signed with us to the same transferee.
	Sec. 19 – Equipment Lease	You must have our prior written consent to the transfer of the Equipment Lease.
	Sec. 18 – Software Sublicense	You must have our prior written consent to transfer the Software Sublicense, you must destroy or return all copies of the Software you do not transfer, and the assignee must sign a current Software Sublicense or agree to the terms of your Software Sublicense.
	Sec. 16 – NAPA Co-Location Addendum	Submit information regarding the proposed transferee.

Provision	Section in Franchise Agreement and Other Related Agreements	Summary
n. Our right of first refusal to acquire your business	Sec. 14.1 – Franchise Agreements Area Development Agreement – Not applicable Sec. 15 – NAPA Co-Location Addendum	You must first offer the sale of your business to us before selling to anyone else. We have no rights of first refusal under this agreement. Our right of first refusal extends to the transfer of any interest in your other businesses at the facility if sold in conjunction with your Novus® business.
o. Our option to purchase your business	Sec. 14.6-14.7 – Franchise Agreements Sec. 3-4 – Re-Franchise (Retirement) Addendum Area Development Agreement – Not applicable	If you fail to operate your business in your Territory or upon expiration or termination of your Franchise Agreement, we have the right to purchase the assets of your business from you. We do not have any option to purchase your business under this agreement.
p. Your death or disability	Sec. 14.1 and 14.4 – Franchise Agreements Sec. 7B – Area Development Agreement	Your heirs can assume your rights, but if they do, they must meet the transfer requirements.
q. Noncompetition covenants during the term of the franchise	Sec. 18.2 – Franchise Agreements Sec. 8 – Area Development Agreement Sec. 11 – Glass Repair Only Re-Franchise Addendum Sec. 17 – NAPA Co-Location Addendum	Subject to state law, you may not participate in any business that competes with a Novus® business. If you are operating as a Repair Only franchise, and you demonstrate to us that you were operating a glass replacement business before you signed the Franchise Agreement, then under certain circumstances you may continue to operate an auto glass replacement and/or installation business that is independent and not affiliated with Novus® (but that business may not conduct glass repairs).

Provision	Section in Franchise Agreement and Other Related Agreements	Summary
r. Noncompetition covenants after the franchise is terminated or expires	Sec. 18.3 – Franchise Agreements Sec. 8 – Area Development Agreement Sec. 12 – Glass Repair Only Re-Franchise Addendum Sec. 17 – NAPA Co-Location Addendum	Subject to state law, for 2 years after your Franchise Agreement terminates or expires, you may not participate in any business that is competitive with or similar to a Novus® glass business if the business in which you are involved is located or operates within your Territory, the territory or area of primary responsibility of another franchisee, or within 10 miles of any Novus® glass business. If you signed a Repair Only Addendum, and you can demonstrate to us that you were operating a glass replacement business before you signed the Franchise Agreement, then you may continue to operate that business after your Franchise Agreement terminates or expires (but that business may not conduct glass repairs).
s. Modification of the agreement	Sec. 20.15 – Franchise Agreements Sec. 31 – Vehicle Lease Sec. 17 – Equipment Lease Sec. 22 – Software Sublicense	Any modification of the Franchise Agreement or any Vehicle Lease must be in writing and signed by both you and Novus. Any modification of the Equipment Lease must be consented to in writing by Novus 2. Any modification of the Software Sublicense must be signed by the party against whom enforcement is sought.
t. Integration/merger clauses	Sec. 20.13 – Franchise Agreements Area Development Agreement – Not applicable Sec. 31 – Vehicle Lease Sec. 22 – Software Sublicense	Only the terms of our signed agreements with you are binding (subject to state law). Any representations or promises made outside this Disclosure Document and those agreements may not be enforceable. However, nothing in those agreements is intended to disclaim any representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Sec 20.2 – Franchise Agreements	Except for certain claims, all disputes must be first submitted to non-binding mediation. Unless we otherwise agree, the mediator will select the location for the mediation and it will be at least 200 miles from either of our offices.

Provision	Section in Franchise Agreement and Other Related Agreements	Summary
v. Choice of forum	Sec. 20.9 – Franchise Agreements Sec. 8 – Area Development Agreement Sec. 30 – Vehicle Lease Sec. 29 – Software Sublicense Sec. 9 – TAG Network Participant Agreement	Except where state law requires otherwise, litigation under our agreements must be in Ramsey County, Minnesota.
w. Choice of law	Sec. 21.1 – Franchise Agreements Sec. 8 – Area Development Agreement Sec. 30 – Vehicle Lease Sec. 21 – Equipment Lease Sec. 23 – Software Sublicense Sec. 10 – TAG Network Participant Agreement	Except where state law requires otherwise, your agreements with us are generally governed by Minnesota law.

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote our franchises or licenses.

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ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits us to provide information about the actual or potential financial performance of our 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) we provide the actual records of an existing outlet you are considering buying; or (2) we supplement the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances. As of December 31, 2023, there were 125 franchised outlets operating. As discussed further below, a total of 100 franchised outlets are included in the following representations.

Reported Gross Sales From Existing Stand-Alone Novus Glass®
Mobile Repair and Replacement Franchisees
(January 1, 2023 to December 31, 2023)

Table 1(a)
39 Franchisees with 1 Mobile Repair and Replacement Franchise:

12 Month Gross Sales	Number of Franchise Owners	Percentage of Total Mobile Repair and Replacement Franchisees Reporting
$100,000 or less	8	20.5%
$100,001 to $200,000	4	10.3%
$200,001 to $300,000	7	17.9%
$300,001 to $400,000	5	12.8%
More than $400,000	15	38.5%

Table 1(b)
39 Franchisees with 1 Mobile Repair and Replacement Franchise:

	12 Month Gross Sales	Number at or Above	Percentage at or Above
Average Reported Gross Sales	$421,896	14	35.9%
Median Reported Gross Sales	$310,756	20	51.3%

The highest reported Gross Sales for the year from a franchisee with 1 stand-alone mobile repair and replacement franchise was $1,885,013, and the lowest reported Gross Sales for the year was $15,136.

Gross Sales indicated in Tables 1(a) and 1(b) above are based on reports we received from 39 franchisees who have 1 mobile franchise from which they offer repair and replacement services and were open during the entire 12-month period ended December 31, 2023. These tables do not include information for: 7 franchisees who had opened 1 mobile repair and replacement franchise before 2023 and permanently closed that franchise during 2023; 3 franchisees who opened a new mobile repair and replacement franchise during 2023, but did not operate the entire year; and 1 franchisee who opened a mobile repair and replacement franchise before 2023, but who had not, as of March 5, 2024, provided complete Gross Sales figures to us for the entire 12-month period. Further, these tables, as well as Table 2 below, do not include information for 6 franchisees who operated 1 retail location repair and replacement franchise and a total of 9 mobile repair and replacement franchises during all of 2023, and 1 franchisee who owned and operated 2 retail

location repair and replacement franchises and a total of 4 mobile repair and replacement franchises during all of 2023. Information for these 7 franchisees' mobile repair and replacement franchises is combined with information for their retail location repair and replacement franchises and included in Tables 3 and 4 below, as applicable. Finally, we did not have any franchisees that opened and closed a mobile repair and replacement franchise in 2023.

Table 2
4 Franchisees with 2 Mobile Repair and Replacement Franchises:

	12 Month Gross Sales Total for Both Franchises	**Number at or Above**	**Percentage at or Above**
Average Reported Gross Sales	$657,014	2	50.0%
Median Reported Gross Sales	$659,781	2	50.0%

The highest reported Gross Sales for the year from a franchisee with 2 stand-alone mobile repair and replacement franchises was $1,150,651, and the lowest reported Gross Sales for the year was $157,841.

Gross Sales indicated in Table 2 are based on reports we received from 4 franchisees who have 2 mobile franchises from which they offer repair and replacement services and were open during the entire 12-month period ended December 31, 2023. Gross Sales numbers are based on the combined total of both of the mobile repair and replacement franchises operated by each franchisee. 2 franchisees who had opened 2 or more mobile repair and replacement franchises before 2023 permanently closed those franchises during 2023. There were no franchisees who operated 2 mobile repair and replacement franchises during the entire 12-month period ended December 31, 2023, who had not, as of March 5, 2024, provided complete Gross Sales figures to us for the entire 12-month period.

Reported Gross Sales From Existing Stand-Alone Novus Glass®
Retail Location Repair and Replacement Franchisees
(January 1, 2023 to December 31, 2023)

Table 3(a)
24 Franchisees with 1 Retail Location Repair and Replacement Franchise:

12 Month Gross Sales	**Number of Franchise Owners**	**Percentage of Total Retail Location Repair and Replacement Franchisees Reporting**
$200,000 or less	1	4.2%
$200,001 to $300,000	2	8.3%
$300,001 to $500,000	4	16.7%
$500,001 to $1,000,000	11	45.8%
More than $1,000,000	6	25.0%

Table 3(b)
24 Franchisees with 1 Retail Location Repair and Replacement Franchise:

	12 Month Gross Sales	Number at or Above	Percentage at or Above
Average Reported Gross Sales	$816,936	12	50.0%
Median Reported Gross Sales	$766,974	12	50.0%

The highest reported Gross Sales for the year from a franchisee with 1 stand-alone retail repair and replacement franchise was $2,582,279, and the lowest reported Gross Sales for the year was $60,878.

Gross Sales indicated in Tables 3(a) and 3(b) above are based on reports we received from 24 franchisees who have 1 retail location franchise from which they offer repair and replacement services and were open during the entire 12-month period ended December 31, 2023. These tables do not include information for: 2 franchisees who had opened 1 retail location repair and replacement franchise before 2023 and permanently closed that franchise during 2023; 1 franchisee who opened a new retail location repair and replacement franchise during 2023, but did not operate the entire year; and 1 franchisee who opened a retail location repair and replacement franchise before 2023, but who had not, as of March 5, 2024, provided complete Gross Sales figures to us for the entire 12-month period. Finally, we did not have any franchisees that opened and closed a retail location repair and replacement franchise in 2023.

6 of the 24 franchisees included in these tables also operated a total of 9 mobile repair and replacement franchises during all of 2023. For these 6 franchisees, information for their mobile repair and replacement franchises was combined with information for their retail location franchises.

Table 4
8 Franchisees with 2 Retail Location Repair and Replacement Franchises:

	12 Month Gross Sales Total for Both Franchises	Number at or Above	Percentage at or Above
Average Reported Gross Sales	$1,637,211	4	50%
Median Reported Gross Sales	$1,593,313	4	50%

The highest reported Gross Sales for the year from a franchisee with 2 stand-alone retail location repair and replacement franchises was $2,490,650, and the lowest reported Gross Sales for the year was $1,043,916.

Gross Sales indicated in Table 4 are based on reports we received from 8 franchisees who have 2 retail location franchises from which they offer repair and replacement services and were open during the entire 12-month period ended December 31, 2023. No franchisee who had opened 2 or more retail location repair and replacement franchises before 2023 permanently closed those franchises during 2023. There were no franchisees who operated 2 retail location repair and replacement franchises during the entire 12-month period ended December 31, 2023, who had not, as of March 5, 2024, provided complete Gross Sales figures to us for the entire 12-month period.

Gross Sales numbers are based on the combined total of both of the retail location repair and replacement franchises operated by each franchisee. In addition, 1 of the 8 franchisees included in Table 4 also operated

a total of 4 mobile repair and replacement franchises during all of 2023. For this 1 franchisee, information for its mobile repair and replacement franchises was combined with information for its retail location repair and replacement franchises.

The following information applies to all of the tables above:

Gross Sales (also referred to as Gross Revenues in the Franchise Agreement) include sales/revenues from glass repair products and services, from glass replacement products and services, and from all other products and services sold in a Novus® business, excluding sales taxes and refunds. We have not verified these numbers.

Under older forms of franchise agreement, mobile repair and replacement franchisees and retail location repair and replacement franchisees were required to operate at least 1 vehicle and could operate up to 4 vehicles. Under our current forms of franchise agreement, mobile and retail location franchisees are required to have at least 1 vehicle, but are not restricted in the number of vehicles they may operate within their territories. The franchisees included in the tables above all operate at least 1 vehicle, but no more than 4 vehicles.

The sales levels, sales range and mean and median sales shown above do not include results from the 18 franchisees who operated "Repair Only" franchises in 2023, as we do not offer a "Repair Only" franchise to new franchisees (in 2023, 3 "Repair Only" franchisees closed, and one "Repair Only" franchisee opened a new location). They also do not include results from any of our 13 bolt-on affiliate licensees or from any of the 2 company-owned locations that operated partially in 2023 (in 2023, all bolt-on affiliates were closed, and the 2 company-owned locations were converted to another brand).

Some outlets have sold this amount. Your individual results may differ. There is no assurance you'll sell as much.

Note that the numbers in the tables above only represent the Gross Sales, or revenues, reported to us by our franchisees. These sales figures do not reflect the cost of sales, operating expenses or other costs or expenses that must be deducted from the Gross Sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Novus Glass® business. Franchisees or former franchisees, listed in this Disclosure Document, may be one source for this information.

Written substantiation for the financial performance representation contained in this Item 19 will be made available to prospective franchisees upon reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations. 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 results of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Scott Bridges at 650 Pelham Boulevard, Suite 100, St. Paul, Minnesota 55114, telephone: (952) 944-8000, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1A

Systemwide Outlet Summary for Years 2021 to 2023 (Notes 1, 2 and 3)				
Outlet Type	**Year**	**Outlets at the Start of the Year**	**Outlets at the End of the Year**	**Net Change**
Franchised	2021	161	151	-10
	2022	151	148	-3
	2023	148	125	-23
Company-Owned	2021	3	2	-1
	2022	2	2	0
	2023	2	0	-2
Total Outlets	2021	164	153	-11
	2022	153	150	-3
	2023	150	125	-25

(1) All numbers are as of December 31 of each year.

(2) Although we no longer offer bolt-on license franchises, the franchise businesses shown above include franchisees and bolt-on licensees.

(3) None of these franchisees had signed Area Development Agreements.

(4) As disclosed in Item 1, we have an affiliate that owns and operates similar businesses under the name "Speedy Auto Glass." In previous years, their predecessors also offered franchises for those businesses. If we had included those businesses in this table, the table would have been as follows:

Table No. 1B

Systemwide Outlet Summary for Years 2021 to 2023 (Notes 1 and 2)				
Outlet Type	**Year**	**Outlets at the Start of the Year**	**Outlets at the End of the Year**	**Net Change**
Franchised	2021	161	151	-10
	2022	151	148	-3
	2023	148	125	-23
Company-Owned	2021	28	27	-1
	2022	27	27	0
	2023	27	28	+1
Total Outlets	2021	189	178	-11
	2022	178	175	-3
	2023	175	153	-23

(1) All numbers are as of December 31 of each year.

(2) Although we no longer offer bolt-on license franchises, NFI did so in the past, and these franchise businesses shown above include franchisees and bolt-on licensees.

Table No. 2

Transfers of Outlets from Franchisee to New Owners (Other than the Franchisor) for Years 2021 to 2023 (Note 1)		
State	**Year**	**Number of Transfers**
Alabama	2021	0
	2022	1
	2023	0
Arizona	2021	0
	2022	0
	2023	1
Colorado	2021	2
	2022	1
	2023	0
Indiana	2021	0
	2022	0
	2023	1
Nevada	2021	0
	2022	0
	2023	1
Wyoming	2021	0
	2022	2
	2023	0
Totals	2021	2
	2022	4
	2023	3

(1) All numbers are as of December 31 of each year. There was no activity in the last 3 years in states not listed.

Table No. 3

Status of Franchised Outlets for Years 2021 to 2023								
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Term-inations**	**Non-Renewals**	**Reacquired by the Company (or an affiliate)**	**Ceased Operations - Other Reason**	**Outlets at End of the Year**
Alabama	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Alaska	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Arizona	2021	3	0	0	0	0	0	3
	2022	3	0	2	0	0	0	1
	2023	1	0	0	0	0	0	1

Status of Franchised Outlets for Years 2021 to 2023								
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Term-inations**	**Non-Renewals**	**Reacquired by the Company (or an affiliate)**	**Ceased Operations - Other Reason**	**Outlets at End of the Year**
Arkansas	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
California	2021	6	2	1	0	0	0	7
	2022	7	1	0	0	0	0	8
	2023	8	0	2	0	0	0	6
Colorado	2021	12	1	0	0	0	0	13
	2022	13	0	0	0	0	0	13
	2023	13	0	0	0	0	0	13
Connecticut	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	1	0	0	0	0
Florida	2021	6	0	0	2	0	0	4
	2022	4	0	1	0	0	0	3
	2023	3	3	1	0	0	0	5
Georgia	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Idaho	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Illinois	2021	4	0	0	0	0	2	2
	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
Indiana	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	1	1
Iowa	2021	2	0	0	1	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Kentucky	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	1	0	0	0	0
Louisiana	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
Maine	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Maryland	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	2	0	0	1
Michigan	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	1	0	0	2

Status of Franchised Outlets for Years 2021 to 2023								
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Term-inations**	**Non-Renewals**	**Reacquired by the Company (or an affiliate)**	**Ceased Operations - Other Reason**	**Outlets at End of the Year**
Minnesota	2021	22	0	0	2	0	0	20
	2022	20	0	0	1	0	0	19
	2023	19	0	0	14	0	0	5
Mississippi	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Montana	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	1	0	0	0	0	6
Nebraska	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Nevada	2021	5	0	0	0	0	0	5
	2022	5	0	1	0	0	0	4
	2023	4	0	0	0	0	0	4
New Jersey	2021	3	0	0	1	0	0	2
	2022	2	0	0	1	0	0	1
	2023	1	0	1	0	0	0	0
New Mexico	2021	1	0	0	1	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
New York	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
North Carolina	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	1	0	0	0	2
Ohio	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Oklahoma	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	1	0	0	1
Oregon	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	1	0	0	0	4
Penn-Sylvania	2021	3	0	0	0	0	0	3
	2022	3	0	0	1	0	0	2
	2023	2	0	0	0	0	0	2
South Carolina	2021	1	0	0	0	0	1	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
South Dakota	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2

Status of Franchised Outlets for Years 2021 to 2023								
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Term-inations**	**Non-Renewals**	**Reacquired by the Company (or an affiliate)**	**Ceased Operations - Other Reason**	**Outlets at End of the Year**
Tennessee	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Texas	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Utah	2021	2	0	0	0	0	0	2
	2022	2	1	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Vermont	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Virginia	2021	5	0	0	1	0	0	4
	2022	4	1	0	1	0	0	4
	2023	4	0	1	0	0	0	3
Washington	2021	15	0	0	2	0	0	13
	2022	13	0	0	0	0	0	13
	2023	13	0	0	0	0	0	13
West Virginia	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Wisconsin	2021	9	0	0	0	0	0	9
	2022	9	0	0	0	0	0	9
	2023	9	0	0	0	0	0	9
Wyoming	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
Totals	2021	161	4	1	9	0	4	151
	2022	151	5	4	4	0	0	148
	2023	148	5	9	18	0	1	125

(1) All numbers are as of December 31 of each year. There was no activity in the last 3 years in states not listed.

(2) Although we no longer offer bolt-on license franchises, NFI did so in the past, and the franchise businesses shown above include franchisees and bolt-on licensees.

Table No. 4A

Status of Company-Owned Outlets for the Years 2021 to 2023 (Notes 1, 2 and 3)							
State	**Year**	**Outlets at Start of the Year**	**Outlets Opened During Year**	**Outlets Reacquired from Franchisee**	**Outlets Closed During Year**	**Outlets Sold to Franchisee**	**Outlets at Year End**
Alaska	2021	1	0	0	1	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
Washington	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
	2023	2	0	0	2	0	0
Totals	2021	3	0	0	1	0	2
	2022	2	0	0	0	0	2
	2023	2	0	0	2	0	0

(1) All numbers are as of December 31 of each year. There was no activity in the last 3 years in states not listed.

(2) The outlets in this table are owned by us or our affiliates.

(3) If we had included the similar Speedy Auto Glass outlets owned by our affiliates and their predecessors, the table would have been as follows:

Table No. 4B

Status of Novus *and* Speedy Locations Owned by Affiliates for Years 2021 to 2023 (Notes 1 and 2)							
State	**Year**	**Outlets at Start of the Year**	**Outlets Opened During Year**	**Outlets Reacquired from Franchisee**	**Outlets Closed During Year**	**Outlets Sold to Franchisee**	**Outlets at Year End**
Alaska	2021	7	0	0	1	0	6
	2022	6	0	0	0	0	6
	2023	6	0	0	0	0	6
Arizona	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Colorado	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	1	0	0	0	1
Montana	2021	4	0	0	0	0	4
	2022	4	0	0	0	0	4
	2023	4	0	0	0	0	4
New Mexico	2021	3	0	0	0	0	3
	2022	3	0	0	0	0	3
	2023	3	0	0	0	0	3
Oregon	2021	5	0	0	0	0	5
	2022	5	0	0	0	0	5
	2023	5	0	0	0	0	5
Washington[(3)]	2021	8	0	0	0	0	8
	2022	8	0	0	0	0	8
	2023	8	2	0	2	0	8

Status of Novus *and* Speedy Locations Owned by Affiliates for Years 2021 to 2023 (Notes 1 and 2)							
State	**Year**	**Outlets at Start of the Year**	**Outlets Opened During Year**	**Outlets Reacquired from Franchisee**	**Outlets Closed During Year**	**Outlets Sold to Franchisee**	**Outlets at Year End**
Totals	2021	28	0	0	1	0	27
	2022	27	0	0	0	0	27
	2023	27	3	0	2	0	28

(1) All numbers are as of December 31 of each year. There was no activity in the last 3 years in states not listed.

(2) The outlets in this table are owned by us or our affiliates.

(3) The affiliate-owned Novus locations in Washington were converted into Speedy Auto Glass locations.

Table No. 5

Projected New Franchised Outlets as of December 31, 2023 (Note 1)			
State	**Franchise Agreements Signed at End of 2023 But Outlet Not Opened**	**Projected New Franchised Outlets in 2024**	**Projected New Company-owned (or Affiliate-owned) Outlets in 2024**
California	0	3	0
Florida	0	3	0
Georgia	0	3	0
Texas	1	3	0
Totals	1	12	0

(1) These are the franchises we presently expect to open in 2024. We continue to look for franchisees throughout the United States, without a concentration in any single state. In total, we expect to have up to 12 new franchised outlets in 2024.

Exhibit B to this Disclosure Document is a list of the names, addresses and telephone numbers of all Novus® franchisees in the United States as of December 31, 2023. Exhibit C to this Disclosure Document is a list containing the name, last known home address and telephone number of every franchisee in the United States whose Novus® franchise has, within the one-year period immediately preceding December 31, 2023, been terminated, canceled, not renewed, or who has, during the same period, otherwise voluntarily or involuntarily ceased to do business pursuant to their franchise or license agreement, or who has not communicated with us during the 10-week period preceding the date of this Disclosure Document. There are 31 franchisees on this list. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Franchisees and/or former franchisees have signed confidentiality clauses with us or our predecessor, NFI, in the last three years. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Novus. You may wish to speak with current and former franchisees, but be aware that not all of those franchisees will be able to communicate with you.

We have an advisory council of our franchisees who contribute to an advertising fund that advises us on issues related to expenditures from that fund (see Item 11). The address and telephone number of this council is the same as ours. This council does not have its own email address or website.

ITEM 21
FINANCIAL STATEMENTS

Attached to this disclosure document as Exhibit A is a copy of our audited financial statements as of December 31, 2021, December 31, 2022 and December 31, 2023.

ITEM 22
CONTRACTS

We use the following contracts or agreements in connection with the sale of the franchise described in this Disclosure Document:

Exhibit D-l	Novus Franchising 2 LLC Area Development Agreement
Exhibit D-2	Novus Franchising 2 LLC Franchise Agreement for Retail Location
Exhibit D-3	Novus Franchising 2 LLC Franchise Agreement for Mobile Business
Exhibit D-4	Standard Re-Franchise Addendum
Exhibit D-5	Re-Franchise (Retirement) Addendum
Exhibit D-6	Glass Repair Only Re-Franchise Addendum
Exhibit D-7	Delay of Vehicle Leasing Requirement Addendum
Exhibit D-8	Multiple Store Operator (MSO) Royalty Credit Program Addendum
Exhibit D-9	NAPA Co-Location Addendum
Exhibit E	Novus Franchising 2 LLC Vehicle Lease Agreement
Exhibit F	Novus 2 LLC Equipment Lease Agreement
Exhibit G	TAG Network Participant Agreement
Exhibit H	Software Sublicense Agreement
Exhibit J	Franchisee Disclosure Questionnaire
Exhibit K	ProColor Amendment

ITEM 23
RECEIPTS

The last page of this Disclosure Document is a detachable acknowledgement of receipt.

NOVUS FRANCHISING 2 LLC

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT A-1: STATE SPECIFIC ADDENDA

ADDENDUM TO
NOVUS®
DISCLOSURE DOCUMENT FOR THE
STATE OF CALIFORNIA

The following information applies to franchises and franchisees subject to the California Franchise Investment Act. Item numbers correspond to those in the main body.

1. 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.

2. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF OUR WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

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

4. Item 3 of the Franchise Disclosure Document is supplemented by the additional paragraph.

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

5. Item 17 of the Franchise Disclosure Document is amended by the insertion of the following:

> "The California Franchise Relations Act (Business and Professions Code Section 20000 through 20043), provides franchisees with additional rights concerning transfer, termination and non-renewal of the Franchise Agreement and certain provisions of the Franchise Agreement relating to transfer, termination and non-renewal may be superseded by the Act. There may also be court decisions which may supersede the Franchise Agreement and your relationship with us, including the areas of transfer, termination and renewal of your franchise. If the Franchise Agreement is inconsistent with the law, the law will control.
>
> The Franchise Agreement requires franchisee to execute a general release of claims upon renewal or transfer the Franchise Agreement. California Corporations Code 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule thereunder is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law. California Corporations Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043)."

6. The Franchise Agreement and Area Development Agreement require application of the laws and forum of Minnesota. This provision may not be enforceable under California law.

7. The franchisor has or will comply with all the requirements under California Corporations Code, Section 31109.1, with respect to negotiated sales.

8. The Franchise Agreement requires that most claims be first submitted to nonbinding mediation at a site to be selected by the mediator, but which will be at least 200 miles from either of our offices. Each of us must pay our own costs for attending the mediation, including each of us paying one-half the cost of the mediator. The franchise agreement also requires that any litigation under that agreement take place in Ramsey County, Minnesota with the costs be borne by each party, but nothing prevents either of us from seeking recovery of our attorneys' fees from the court to the extent otherwise permitted by law.

9. 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.

10. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Section 101 and following).

11. The franchise agreement contains a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

12. The franchise agreement contains waiver of punitive damages and jury trial provisions.

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

14. The maximum interest rate to be charged in California is 10%.

15. The page titled "**Special Risk(s) to Consider About *This* Franchise**" is amended to include the following:

Special Risk(s) to Consider About *This* Franchise

Spousal Guarantee. If the franchisee is a business entity, each individual owner of the business entity must sign a personal guaranty. As a result, a spouse of any owner is jointly and severally liable for all obligations of the franchise, whether or not involved in the operation of the franchised business. This requirement places the personal and marital assets of the franchise owners and spouses at risk.

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

ADDENDUM TO
NOVUS®
DISCLOSURE DOCUMENT
FOR THE STATE OF HAWAII

The following information applies to franchises and franchisees subject to the Hawaii Franchise Investment Law:

1. Novus Franchising 2 LLC has applied or is applying to register its Franchise Disclosure Document in the states of: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

2. The states in which Novus Franchising 2 LLC's Franchise Disclosure Document is or will be shortly on file: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

3. During the previous 12 months (i) no state has refused, by order or otherwise, to allow Novus Franchising 2 LLC to register this franchise, (ii) no state has revoked or suspended Novus Franchising 2 LLC's right to offer franchises in their state, and (iii) Novus Franchising 2 LLC has not withdrawn its proposed registration to franchise in any state.

4. The page titled "**Special Risk(s) to Consider About *This* Franchise**" is amended to include the following:

Special Risk(s) to Consider About *This* Franchise

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

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

Disclosure Document is a Summary. THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

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.

6. The franchisor's registered agent in the state authorized to receive service of process is:

Hawaii Commissioner of Securities
Department of Commerce & Consumer Affairs
Business Registration Division
335 Merchant Street, Suite 205
Honolulu, Hawaii 96813

Each provision of this Addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently without reference to this Addendum.

ADDENDUM TO
NOVUS®
DISCLOSURE DOCUMENT
FOR THE STATE OF ILLINOIS

The following information applies to franchises and franchisees (including licenses and licensees) subject to the Illinois Franchise Disclosure Act:

Illinois law governs the franchise agreements.

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

Franchisees' rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

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.

ADDENDUM TO
NOVUS®
DISCLOSURE DOCUMENT
FOR THE STATE OF INDIANA

If your Novus® business is located in the State of Indiana, then Item 11 of the Disclosure Document is amended to provide as follows: (a) an assessment of fees by your marketing area advertising group that is in excess of 2% of your Gross Revenues may not be enforceable under Indiana law, (b) you do not waive any rights afforded by Indiana statutes with regard to prior representations made by us, (c) Indiana Code Section 23-2-2.7-1(9) requires that the post termination noncompetition covenant be limited to within a reasonable distance of your franchised or licensed business, (d) Indiana Code Section 23-2-2.7-1(2) prohibits us from competing unfairly against you in the Territory or Service Area, and (e) Indiana Code Section 23-2-2.7-1(10) requires that litigation between you and us will be conducted in Indiana or at a site mutually agreed upon by the parties.

ADDENDUM TO
NOVUS®
DISCLOSURE DOCUMENT
FOR THE STATE OF MARYLAND

The following information applies to franchises and franchisees (including licenses and licensees) subject to the Maryland Franchise Registration and Disclosure Law:

1. "The release of claims required upon the renewal, sale, assignment or transfer of your franchise will not apply to any liability under the Maryland Franchise Registration and Disclosure Law, Md. Ann. Code, Article 56, §345 *et. seq*."

2. "The Uniform Consent to Service of Process which Novus must file pursuant to Section 14-216(25) of the Maryland Franchise Registration and Disclosure Law requires that we be available for suit in Maryland; consequently, you may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law, but any claims arising under that law must be brought within three years after the grant of the franchise."

3. The page titled **"Special Risk(s) to Consider About *This* Franchise"** is amended to include the following:

Special Risk(s) to Consider About *This* Franchise

Sales Performance Required. You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.

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

5. The following is added to Item 5: Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

ADDENDUM TO
NOVUS®
DISCLOSURE DOCUMENT
FOR THE STATE OF MINNESOTA

The following information applies to franchises and franchisees (including licenses and licensees) subject to the Minnesota Franchise Act:

If you are a resident of Minnesota, or your Novus® retail location is located in Minnesota or any part of your Area Of Primary Responsibility (or in the case of the Development Agreement, your Designated Territory) is located in Minnesota, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination of your Franchise Agreement and, if applicable, the Area Development Agreement (with 60 days to cure) and 180 days' notice for nonrenewal of your Franchise Agreement, and that transfer of the franchise will not be unreasonably withheld.

Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit us from requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document, Franchise Agreement or Area Development Agreement can abrogate or reduce (1) any of your rights as provided for in Minnesota Statute 80C or (2) your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Under Minnesota Statutes, Section 80C.12, Subd. 1(g), Minnesota considers it unfair to not protect a franchisee's rights to use a franchisor's trademark. We will protect your right to use the Marks or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks, provided you have properly used the Marks and comply with our instructions regarding their use.

Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

Minnesota law does not permit us to require you to consent to us obtaining injunctive relief. We may seek injunctive relief for certain matters under our agreements with you and a court will determine whether we are entitled to the relief.

Any limitation of claims must comply with Minnesota Statutes, Section 80C.17, Subd. 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.

ADDENDUM TO
NOVUS®
DISCLOSURE DOCUMENT
FOR THE STATE OF NEW YORK

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT L OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

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

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

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

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

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought

by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added at the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such at our discretion.

4. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for you to renew or extend**", and Item 17(m), entitled "**Conditions for our approval of transfer**":

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

5. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by you**":

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

6. The following is added to the end of the "Summary" section of Item 17(j), titled "**Our assignment of the contract**":

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

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

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

8. The page titled "**Special Risk(s) to Consider About *This* Franchise**" is amended to include the following:

Special Risk(s) to Consider About *This* Franchise

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

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

10. Receipts. Any sale made must be in compliance with Section 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. Section 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10 business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

11. Each provision of this addendum to the Franchise Disclosure Document shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of the New York General Business Law Article 33 are met independently without reference to this addendum.

ADDENDUM TO
NOVUS®
DISCLOSURE DOCUMENT
FOR THE STATE OF NORTH DAKOTA

Section 51-19-09 of the North Dakota Franchise Investment Law requires that mediation or litigation must be conducted at a location agreeable to the parties.

The Securities Commissioner has held that requiring North Dakota franchisees to consent to liquidated damages or termination penalties to be unfair unjust or inequitable under NDCC Section 51-19-09.

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.

ADDENDUM TO
NOVUS®
DISCLOSURE DOCUMENT
FOR THE STATE OF RHODE ISLAND

Sec. 19-28.1-14 of the Rhode Island Franchise Investment Act provides that any provision of the Franchise Agreement which restricts jurisdiction or venue to a forum outside Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

ADDENDUM TO
NOVUS®
DISCLOSURE DOCUMENT
FOR THE STATE OF VIRGINIA

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

2. The page titled "**Special Risk(s) to Consider About *This* Franchise**" is amended to include the following:

Special Risk(s) to Consider About *This* Franchise

Minimum Gross Revenue Requirements. YOU MUST MAINTAIN MINIMUM GROSS REVENUE REQUIREMENTS. YOUR INABILITY TO MAINTAIN THESE LEVELS MAY RESULT IN LOSS OF ANY TERRITORIAL RIGHTS YOU ARE GRANTED, TERMINATION OF YOUR FRANCHISE, AND LOSS OF YOUR INVESTMENT.

3. 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.

ADDENDUM TO
NOVUS®
DISCLOSURE DOCUMENT
FOR THE STATE OF WASHINGTON

The following information applies to franchises and franchisees subject to the Washington Franchise Investment Protection Act:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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.

On or about October 11, 2019, we entered into an Assurance of Discontinuance (No. 19-2-26759-3 SEA) with the State of Washington entitled In Re: Franchise No Poaching Provisions under which we agreed to refrain from including "no-poach" language in our Franchise Agreement, which restricts a franchisee from recruiting and/or hiring the employees of other franchisees and/or employees of us or our affiliates, which the Attorney General alleges violates Washington state and federal antitrust and unfair practices laws. We have also agreed to refrain from enforcing the language in any of our existing Franchise Agreements, notify our current franchisees of the entry of the Assurance of Discontinuance, notify the Washington Attorney General if any of our franchisees attempts to enforce such a provision, offer to amend existing Franchise Agreements to delete the no-poach language and remove the language from existing Franchise Agreements as they come up for renewal. We satisfied the requirements in the Assurance of Discontinuance and submitted to the State of Washington a declaration of completion.

Each provision of this Addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of the Washington Franchise Investment Protection Act are met independently without reference to this Addendum.

NOVUS FRANCHISING 2 LLC

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT A: FINANCIAL STATEMENTS

Audited financial statements as of
December 31, 2021, December 31, 2022 and December 31, 2023

Novus Franchising 2 LLC

Financial statements
December 31, 2022

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Independent auditor's report

To the member of
Novus Franchising 2 LLC

We have audited the accompanying financial statements of **Novus Franchising 2 LLC**, which comprise the balance sheet as of December 31, 2022, and the related statements of comprehensive income and retained earnings, and cash flows for the year then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Novus Franchising 2 LLC** of December 31, 2022, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Ernst & Young LLP [1]

Montréal, Canada
April 6, 2023

[1] CPA auditor, public accountancy permit no. A121006

Novus Franchising 2 LLC

Balance sheet

[In U.S. dollars]

As of December 31, 2022

	2022	2021
	$	$
Assets		
Current		
Cash	**1,193,732**	959,752
Cash in trust or otherwise reserved	**28,383**	29,267
Accounts receivable, net of allowance for doubtful accounts of $345,962 [2021 – $305,743]	**562,184**	442,942
Accounts receivable – company under common control	**129,491**	44,064
Notes receivable – current portion	**—**	11,511
Prepaid expenses	**122,376**	28,063
Total current assets	**2,036,166**	1,515,599
Advances to a company under common control, non-interest bearing	**1,137,883**	1,421,307
Notes receivable	**—**	7,285
Rights	**300,000**	300,000
Deferred income tax asset	**77,799**	44,448
	3,551,848	3,288,639
Liabilities and net membership's interest		
Current		
Accounts payable and accrued liabilities	**331,662**	224,391
Accounts payable and accrued liabilities – ultimate parent company	**337,680**	90,260
Amounts to be remitted to franchisees	**28,383**	29,267
Advances from parent company, non-interest bearing	**342,816**	232,128
Deferred revenue	**1,377,756**	841,459
Total current liabilities	**2,418,297**	1,417,505
Deferred revenue	**109,814**	78,418
Total liabilities	**2,528,111**	1,495,923
Net membership's interest		
Net investment from the parent company, since inception	**432,753**	432,753
Retained earnings	**590,984**	1,359,963
Total net membership's interest	**1,023,737**	1,792,716
	3,551,848	3,288,639

See accompanying notes

Novus Franchising 2 LLC

Statement of comprehensive income and retained earnings

[In U.S. dollars]

Year ended December 31, 2022

	2022	2021
	$	$
Revenue		
Royalties	**2,936,083**	2,669,176
Contributions received from franchisees for various services	**1,125,660**	1,002,690
Allowances and discounts from vendors	**1,034,325**	802,505
Product Sales	**143,622**	135,347
Other revenues	**232,113**	360
	5,471,803	4,610,078
Expenses		
Direct operating expenses	**2,158,613**	1,652,915
Selling and administrative expenses	**1,970,585**	1,805,440
Cost of products sold	**122,331**	117,322
	4,251,529	3,575,677
Income before income taxes	**1,220,274**	1,034,401
Income taxes expense	**289,253**	242,261
Net income and comprehensive income	**931,021**	792,140
Retained earnings, beginning of year	**1,359,963**	1,767,823
Distributions to parent company	**(1,700,000)**	(1,200,000)
Retained earnings, end of year	**590,984**	1,359,963

See accompanying notes

Novus Franchising 2 LLC

Statement of cash flows

[In U.S. dollars]

Year ended December 31, 2022

	2022	2021
	$	$
Operating activities		
Net income for the year	**931,021**	792,140
Non-cash items:		
Deferred income tax recovery	**(33,351)**	(1,313)
	897,670	790,827
Net change in cash in trust or otherwise reserved	**884**	13,111
Net change in non-cash working-capital items		
Accounts receivable	**(204,669)**	(51,879)
Notes receivable	**18,796**	(9,420)
Prepaid expenses	**(94,313)**	2,845
Accounts payable and accrued liabilities	**354,691**	23,704
Amounts to be remitted to franchisees	**(884)**	(13,111)
Deferred revenue	**567,693**	272,345
Cash flows from operating activities	**1,539,868**	1,028,422
Financing activities		
Distributions paid to parent company	**(1,700,000)**	(1,200,000)
Increase in advances from parent company	**110,688**	438,141
Decrease (increase) in advances to a company under common control	**283,424**	(104,537)
Cash flows used in financing activities	**(1,305,888)**	(866,396)
Balance, beginning of the year	**959,752**	797,726
Net change in cash during the year	**233,980**	162,026
Balance, end of the year	**1,193,732**	959,752

See accompanying notes

Novus Franchising 2 LLC

Notes to the financial statements

[In U.S. dollars]

December 31, 2022

1. Organization and nature of operations

Novus Franchising 2 LLC [the "Company"] was incorporated on April 13, 2017 as a limited liability company registered in the State of the Delaware. The Company is registered as owned by its sole member and parent company Mondofix USA LLC, which is wholly-owned by Mondofix Inc. a Canadian company and ultimate parent company. The Company's year-end is December 31. The Company acts as a franchisor of glass repair shops in the USA under the name Novus, Novus Franchising and Novus Glass in virtue of a license agreement with its ultimate parent company.

2. Significant accounting policies

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ["US GAAP"]. These financial statements are presented in U.S. dollars, which is also the functional currency of the Company.

Use of estimates

The preparation of the financial statement in conformity with the basis of accounting defined above requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Estimates include, but are not limited to, allowance for doubtful accounts and income taxes. Actual results could differ from those estimates.

Cash

Bank balances, including bank overdrafts with balances that fluctuate from positive to overdrawn, are presented under cash.

Financial instruments

Financial instruments are measured at fair value on initial recognition based on current pricing of such financial instruments with comparable terms. Subsequently, all financial instruments are measured at amortized costs less any reduction of impairment. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows: Level 1 – quoted prices [unadjusted] in active markets for identical assets or liabilities; Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3 – unobservable inputs that reflect the Company's own assumptions about the assumptions market participants would use in pricing the asset or liability. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. At December 31, 2022 and 2021, all of the Company's financial assets were considered a Level 1 asset, except for the notes receivable which are categorized as level 2.

Financial instruments included in the financial statements consist of accounts receivable (including those from a company under common control), notes receivable, advances to a company under common control, accounts payable and accrued liabilities (including those to the ultimate parent company), amounts to be remitted to franchisees and advances from parent company. Financial assets and financial liabilities are initially recognized at fair value when the Company becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost less any reduction for impairment.

Notes to the financial statements

[In U.S. dollars]

December 31, 2022

Revenue recognition

The Company applies revenue recognition guidance under ASC 606 Revenue from contracts with customers. Sales arrangements with franchising generally include a combination of royalties, vendor rebates and other services. The Company determines whether performance obligations are distinct based on whether the customer can benefit from the product or service on its own or together with other resources that are readily available and whether the commitment to transfer the product or service to the customer is separately identifiable from other obligations in the contract. Revenue is recognized when, or as, performance obligations under the terms of a contract or arrangement are satisfied, which generally occurs when, or as, control of the promised products or services is transferred to franchisees/customers. Revenue is measured at the amount of consideration the Company expects to receive in exchange for transferring products or services to a customer and by allocation the transaction price based on the relative stand-alone selling price of each performance obligation.

Revenues generated from royalties charged to franchisees [monthly continuing fee from the franchisee equals to the greater of a stated percentage of the franchisee's gross sales and a stated minimum] are recognized and established based on the monthly franchisees' retail sales.

Allowances and discounts from vendors are recognized based on actual periodic purchases from these vendors and the related contractual terms and, when the consideration is fixed or determinable and collection is reasonably assured.

Contributions received from franchisees for various services consist of items such as initial fees charged to new franchisees, the sale of promotional items to franchisees, contributions from franchisees to marketing and administrative initiatives and other. These revenues are recognized when earned and services have been rendered. Revenue from initial fees for the license are deferred and recognized over the related license term.

Revenue from the sale of products is recognized upon delivery when all material conditions related to the sale have been substantially performed by the Company and collectability is reasonably assured.

Government assistance

Government assistance or grants are recorded in income as a credit to the related expenditure when they can be reasonably estimated, and the collection is reasonably assured.

Advertising costs and deferred revenue

The Company expenses the costs of advertising when the advertisements are first aired or displayed. All other advertising and promotional costs are expensed in the year incurred. Franchisees contribute to advertising funds managed by the Company. Under the Company's franchise agreements, contributions received from franchisees must be spent on advertising, marketing and related activities and result in no net income being recognized by the Company. To the extent that contributions received exceed expenditures, the excess contributions are recorded as deferred revenue.

Rights

Rights consist of rights acquired from the business combination representing the exclusive area developer for the Novus Glass franchise network in the United States of America. The Company believes these rights can be extended for an indefinite period at no significant additional cost and as such does not amortize them.

Income taxes

The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the Company's financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on differences between the financial statement carrying amounts and the tax bases of the assets and liabilities using the enacted tax rates in effect in the years in which the temporary differences are expected to reverse. A valuation allowance against deferred tax assets is recorded if, based on the weight of the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

The Company is a member of a group, consisting of its parent company and other companies under common control that files its income tax return on a consolidated basis. Current and deferred income taxes are allocated to the Company as if it were a separate taxpayer. Any tax effect of the Company's operating activity is passed to its parent company for equal consideration if the tax effect can be realized using the consolidated approach.

Comprehensive income

The Company follows the provisions of ASC 220, Comprehensive Income. Comprehensive income is defined as the change in shareholders' equity during a period from transactions and other events and circumstances from non-owner sources. Comprehensive income for the years ended December 31, 2022 and 2021 is the same as the Company's net income.

Recent accounting pronouncement

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ["FASB"] or other standard setting bodies and adopted by the Company as of the specified effective date. Unless otherwise discussed, the Company believes that the impact of recently issued standards that are not yet effective will not have a material effect on its financial position or results of operations upon adoption.

There were no new accounting pronouncements adopted during the current year which had a significant effect on the Company's financial statements.

Recent accounting pronouncements – Not yet adopted

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments—Credit Losses [Topic 326]: Measurement of Credit Losses on Financial Instruments." The new guidance replaces the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform financial statement users of credit loss estimates. ASU 2016-13 is effective for annual periods beginning after December 15, 2022. Early adoption is permitted. The Company does not expect the adoption of ASU 2016-13 to have a material impact on the financial statements.

Notes to the financial statements

[In U.S. dollars]

December 31, 2022

3. Cash in trust or otherwise reserved

As at December 31, 2022, cash included $28,383 of amounts held in trust in a separate non-interest bearing bank account and managed by the Company in respect of amounts received from insurers to be remitted to franchisees. The related liabilities are included under the caption “Accounts payable and accrued liabilities”.

4. Accounts payable and accrued liabilities

	2022 $	2021 $
Trade payable and accrued liabilities	**220,059**	201,817
Accrued salaries and employee benefits	**111,603**	22,574
	331,662	224,391

5. Related party transactions

In the normal course of its operations, the Company enters into transactions with related parties, including companies owned and controlled by the same shareholders of the ultimate parent company. All transactions are measured at the exchange amount, which is the amount of consideration determined and agreed to by the related parties. Significant transactions between related parties are as follow:

Transactions and balances with the ultimate parent company, Mondofix Inc., other than those disclosed elsewhere, were as follows:

	2022 $	2021 $
Expenses		
Direct operating expenses [royalties]	**743,677**	677,169
Selling and administrative expenses [management fee]	**105,555**	78,412

Transactions and balances with a company under common control, Speedy Novus Glass LLC, other than those disclosed elsewhere, were as follows:

	2022 $	2021 $
Revenues		
Royalties	**179,439**	208,903

Notes to the financial statements

[In U.S. dollars]

December 31, 2022

Transactions and balances with a company under common control, Novus 2 LLC, other than those disclosed elsewhere, were as follows:

	2022 $	2021 $
Expenses		
Selling and administrative expenses [management fees]	**425,562**	305,323
Cost of products sold	**115,255**	108,533

For tax returns purposes, the Company's results are included in the consolidated tax return of Mondofix USA LLC, its parent company. The theoretical income taxes otherwise payable by the Company is charged as an intercompany balance owing to its parent company for the purposes of disclosures at the entity level.

Finally, the advances from parent company and to a company under common control are non-interest bearing and do not have specific repayment terms. The accounts receivable from a company under common control and the accounts payable and accrued liabilities from the ultimate parent company are non-interest bearing and repayable on demand.

6. Membership's interest

The Company was incorporated on April 13, 2017 as a limited liability company registered in the State of the Delaware. No shares or units were issued upon its creation. The Company is registered as owned by its sole member Mondofix USA LLC.

During 2022, the Company paid cash distributions to its parent company for a total amount of $1,700,000 [$1,200,000 in 2021].

7. Income taxes

The income tax expense (recovery) is comprised of:

	2022 $	2021 $
Current	**322,604**	243,574
Deferred	**(33,351)**	(1,313)
	289,253	242,261

Income tax expense attributable to net income differs from the amounts computed by applying the U.S. federal tax rate of 23.64% [2021 – 23.73%] and States tax rates where the Company operates.

	2022 $	2021 $
Income before income taxes	**1,220,274**	1,034,401
Expected tax effect at statutory tax rates	**293,654**	245,437
Other	**(4,401)**	(3,176)
Income tax expense	**289,253**	242,261

The tax effect of temporary differences, which comprise tax assets and liabilities was immaterial and amounted to $77,799 at December 31, 2022 [2021 – $44,448].

8. Financial instruments

Fair values

As at December 31, 2022, the carrying values of accounts receivable and accounts payable and accrued liabilities [excluding deferred income and sales tax payable] approximates their respective fair values due to their immediate or short term to maturity. The carrying value of notes receivable approximates their fair value as the interest rates approximate current market rates for notes with similar maturities and credit quality.

Financial risks

The Company is exposed to various financial risks through transactions in financial instruments. The following provides information in assessing the extent of the Company's exposure to these risks.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's primary financial instruments exposure is credit risk on its accounts receivable and notes receivable. Maximum exposure is represented by amounts reported for those balances. Credit risk is managed by engaging only pre-approved franchisees and financial instrument counterparties and monitoring regularly the collection of customers' dues to the Company.

Normal terms to the Company's franchisees range from 30 to 60 days. Management reviews accounts and notes receivable past due and contacts franchisees on an ongoing basis with the objective of identifying matters that could potentially delay the collection of funds at an early stage.

In establishing the appropriate allowance for doubtful accounts, assumptions are made with respect to the future collectability of the receivables. Assumptions are based on an individual assessment of a franchisee's credit quality as well as subjective factors and trends. Management believes the allowance is adequate.

Amounts other than current are considered to be past due. The following tables provide the aging analysis of accounts and notes receivable:

Accounts receivable

	2022 $	2021 $
Current	**508,325**	411,600
31 to 60 days	**38,241**	19,884
61 to 90 days	**48,476**	16,993
91 days +	**313,104**	300,208
Total accounts receivable	**908,146**	748,685
Less: allowance for doubtful accounts	**(345,962)**	(305,743)
	562,184	442,942

The following tables reflect the movement in the allowance for doubtful accounts for accounts receivable and notes receivable:

Allowance for accounts receivable

	2022 $	2021 $
Balance, beginning of year	**305,743**	250,378
Additions to allowance	**89,260**	68,156
Write-down of accounts receivable	**(49,041)**	(12,791)
Balance, end of year	**345,962**	305,743

9. Government assistance

During fiscal 2022, the Company received a total amount of $98,787 from the employee retention credit program which were recorded against selling and administrative expenses.

10. Subsequent events

The Company considers events or transactions that occur after the balance sheet date but prior to the issuance of the financial statements to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. Subsequent events have been evaluated through April 6, 2023, the date these financial statements are available to be issued, and the financial statements reflect those material items that arose after the balance sheet date but prior to this date that would be considered recognized subsequent events.

Novus Franchising 2 LLC

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December 31, 2023

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Independent auditor's report

To the member of
Novus Franchising 2 LLC

We have audited the accompanying financial statements of **Novus Franchising 2 LLC,** which comprise the balance sheet as of December 31, 2023, and the related statements of comprehensive income and retained earnings, and cash flows for the year then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Novus Franchising 2 LLC at December 31, 2023, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Ernst & Young LLP [1]

Montréal, Canada
March 29, 2024

[1] CPA auditor, public accountancy permit no. A121006

Novus Franchising 2 LLC

Balance sheet

[In U.S. dollars]

As at December 31

	2023	2022
	$	$
Assets		
Current		
Cash	**1,496,253**	1,193,732
Cash in trust or otherwise reserved	**43,780**	28,383
Accounts receivable, net of allowance for doubtful accounts of $283,658 [2022 – $345,962]	**552,336**	562,184
Accounts receivable – company under common control	**3,970**	129,491
Prepaid expenses	**161,245**	122,376
Total current assets	**2,257,584**	2,036,166
Advances to a company under common control, non-interest bearing	**1,033,233**	1,137,883
Rights	**300,000**	300,000
Deferred income tax asset	**219,385**	77,799
	3,810,202	3,551,848
Liabilities and net membership's interest		
Current		
Accounts payable and accrued liabilities	**389,274**	331,662
Accounts payable and accrued liabilities - ultimate parent company, non-interest bearing	**195,430**	337,680
Amounts to be remitted to franchisees	**43,780**	28,383
Advances from parent company, non-interest bearing	**546,457**	342,816
Deferred revenue	**1,736,307**	1,377,756
Total current liabilities	**2,911,248**	2,418,297
Deferred revenue	**79,550**	109,814
Total liabilities	**2,990,798**	2,528,111
Net membership's interest		
Net investment at the date of the Company's creation	**432,753**	432,753
Retained earnings	**386,651**	590,984
Total net membership's interest	**819,404**	1,023,737
	3,810,202	3,551,848

See accompanying notes

Novus Franchising 2 LLC

Statement of comprehensive income and retained earnings

[In U.S. dollars]

Year ended December 31

	2023	2022
	$	$
Revenue		
Royalties	**3,317,951**	2,936,083
Contributions received from franchisees for various services	**1,208,685**	1,125,660
Allowances and discounts from vendors	**1,106,192**	1,034,325
Product sales	**106,437**	143,622
Other revenues	**97,066**	232,113
	5,836,331	5,471,803
Expenses		
Direct operating expenses	**2,355,705**	2,158,613
Selling and administrative expenses	**1,828,799**	1,970,585
Cost of products sold	**91,499**	122,331
	4,276,003	4,251,529
Income before income taxes	**1,560,328**	1,220,274
Income taxes expense	**364,661**	289,253
Net income and comprehensive income	**1,195,667**	931,021
Retained earnings, beginning of year	**590,984**	1,359,963
Distributions to parent company	**(1,400,000)**	(1,700,000)
Retained earnings, end of year	**386,651**	590,984

See accompanying notes

Novus Franchising 2 LLC

Statement of cash flows

[In U.S. dollars]

Year ended December 31

	2023	2022
	$	$
Operating activities		
Net income for the year	**1,195,667**	931,021
Non-cash items:		
Deferred income tax recovery	**(141,586)**	(33,351)
	1,054,081	897,670
Net change in cash in trust or otherwise reserved	**(15,397)**	884
Net change in non-cash working-capital items		
Accounts receivable	**135,369**	(204,669)
Notes receivable	**—**	18,796
Prepaid expenses	**(38,869)**	(94,313)
Accounts payable and accrued liabilities	**(84,638)**	354,691
Amounts to be remitted to franchisees	**15,397**	(884)
Deferred revenue	**328,287**	567,693
Cash flows from operating activities	**1,394,230**	1,539,868
Financing activities		
Distributions paid to parent company	**(1,400,000)**	(1,700,000)
Decrease (increase) in advances to parent company	**203,641**	110,688
Decrease in advances to a company under common control	**104,650**	283,424
Cash flows from financing activities	**(1,091,709)**	(1,305,888)
Balance, beginning of the year	**1,193,732**	959,752
Net change in cash during the year	**302,521**	233,980
Balance, end of the year	**1,496,253**	1,193,732

See accompanying notes

Novus Franchising 2 LLC

Notes to the financial statements

[In U.S. dollars]

December 31, 2023

1. Organization and nature of operations

Novus Franchising 2 LLC [the "Company"] was incorporated on April 13, 2017 as a limited liability company registered in the State of the Delaware. The Company is registered as owned by its sole member and parent company Mondofix USA LLC., which is wholly-owned by Mondofix Inc. a Canadian company and ultimate parent company. The Company's year-end is December 31. The Company acts as a franchisor of glass repair shops in the USA under the name Novus, Novus Franchising and Novus Glass in virtue of a license agreement with its ultimate parent company.

2. Significant accounting policies

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ["US GAAP"]. These financial statements are presented in U.S. dollars, which is also the functional currency of the Company.

Use of estimates

The preparation of the financial statement in conformity with the basis of accounting defined above requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Estimates include, but are not limited to, allowance for doubtful accounts and income taxes. Actual results could differ from those estimates.

Cash

Bank balances, including bank overdrafts with balances that fluctuate from positive to overdrawn, are presented under cash.

Financial instruments

Financial instruments are measured at fair value on initial recognition based on current pricing of such financial instruments with comparable terms. Subsequently, all financial instruments are measured at amortized costs less any reduction of impairment. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows: Level 1 – quoted prices [unadjusted] in active markets for identical assets or liabilities; Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3 – unobservable inputs that reflect the Company's own assumptions about the assumptions market participants would use in pricing the asset or liability. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. At December 31, 2023 and 2022, all of the Company's financial assets were considered a Level 1.

Financial instruments included in the financial statements consist of accounts receivable [including those from a company under common control], advances to a company under common control, accounts payable and accrued liabilities [including those to the ultimate parent company], amounts to be remitted to franchisees and advances from parent company. Financial assets and financial liabilities are initially recognized at fair value when the Company becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost less any reduction for impairment.

Revenue recognition

The Company applies revenue recognition guidance under ASC 606 Revenue from contracts with customers. Sales arrangements with franchising generally include a combination of royalties, vendor rebates and other services. The Company determines whether performance obligations are distinct based on whether the customer can benefit from the product or service on its own or together with other resources that are readily available and whether the commitment to transfer the product or service to the customer is separately identifiable from other obligations in the contract. Revenue is recognized when, or as, performance obligations under the terms of a contract or arrangement are satisfied, which generally occurs when, or as, control of the promised products or services is transferred to franchisees / customers. Revenue is measured at the amount of consideration the Company expects to receive in exchange for transferring products or services to a customer and by allocation the transaction price based on the relative stand-alone selling price of each performance obligation.

Revenues generated from royalties charged to franchisees [monthly continuing fee from the franchisee equals to the greater of a stated percentage of the franchisee's gross sales and a stated minimum] are recognized and established based on the monthly franchisees' retail sales.

Allowances and discounts from vendors are recognized based on actual periodic purchases from these vendors and the related contractual terms and when the consideration is fixed or determinable and collection is reasonably assured.

Contributions received from franchisees for various services consist of items such as initial fees charged to new franchisees, the sale of promotional items to franchisees, contributions from franchisees to marketing and administrative initiatives and other. These revenues are recognized when earned and services have been rendered. Revenue from initial fees for the license are deferred and recognized over the related license term.

Government assistance

Government assistance or grants are recorded in income as a credit to the related expenditure when they can be reasonably estimated, and the collection is reasonably assured.

Notes to the financial statements

[In U.S. dollars]

December 31, 2023

Advertising costs and deferred revenue

The Company expenses the costs of advertising when the advertisements are first aired or displayed. All other advertising and promotional costs are expensed in the year incurred. Franchisees contribute to advertising funds managed by the Company. Under the Company's franchise agreements, contributions received from franchisees must be spent on advertising, marketing and related activities and result in no net income being recognized by the Company. To the extent that contributions received exceed expenditures, the excess contributions are recorded as deferred revenue.

Rights

Rights consist of rights acquired from the business combination representing the exclusive area developer for the Novus Glass franchise network in the United States of America. The Company believes these rights can be extended for an indefinite period at no significant additional cost and as such does not amortize them.

If facts and circumstances suggest that rights may be impaired, the carrying value is reviewed. If this review indicates that the value of the rights is not recoverable, as determined by the projected undiscounted cash flows related to the asset over its remaining life, then the carrying value of the asset is reduced to its estimated fair value and an impairment loss is recognized.

Income taxes

The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the Company's financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on differences between the financial statement carrying amounts and the tax bases of the assets and liabilities using the enacted tax rates in effect in the years in which the temporary differences are expected to reverse. A valuation allowance against deferred tax assets is recorded if, based on the weight of the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

The Company is a member of a group, consisting of its parent company and other companies under common control that files its income tax return on a consolidated basis. Current and deferred income taxes are allocated to the Company as if it were a separate taxpayer. Any tax effect of the Company's operating activity is passed to its parent company for equal consideration if the tax effect can be realized using the consolidated approach.

Comprehensive income

The Company follows the provisions of ASC 220, Comprehensive Income. Comprehensive income is defined as the change in shareholders' equity during a period from transactions and other events and circumstances from non-owner sources. Comprehensive income for the years ended December 31, 2023 and 2022 is the same as the Company's net income.

Recent accounting pronouncement adopted in fiscal 2023

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ["FASB"] or other standard setting bodies and adopted by the Company as of the specified effective date. Unless otherwise discussed, the Company believes that the impact of recently issued standards that are not yet effective will not have a material effect on its financial position or results of operations upon adoption.

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments—Credit Losses [Topic 326]: *Measurement of Credit Losses on Financial Instruments*." The new guidance replaces the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform financial statement users of credit loss estimates. The Company adopted ASU 2016-13 in fiscal 2023 and this did not have a material impact on the financial statements.

There were no other accounting pronouncements adopted during the current year which had a significant effect on the Company's financial statements.

3. Cash in trust or otherwise reserved

As at December 31, 2023, cash included $43,780 of amounts held in trust in a separate non-interest bearing bank account and managed by the Company in respect of amounts received from insurers to be remitted to franchisees. The related liabilities are included under the caption "Accounts payable and accrued liabilities".

4. Accounts payable and accrued liabilities

	2023	**2022**
	$	$
Trade payable and accrued liabilities	**274,365**	220,059
Accrued salaries and employee benefits	**114,909**	111,603
	389,274	331,662

5. Related party transactions

In the normal course of its operations, the Company enters into transactions with related parties, including companies owned and controlled by the same shareholders of the ultimate parent company. All transactions are measured at the exchange amount, which is the amount of consideration determined and agreed to by the related parties. Significant transactions between related parties are as follow:

Notes to the financial statements

[In U.S. dollars]

December 31, 2023

Transactions and balances with the ultimate parent company, Mondofix Inc., other than those disclosed elsewhere, were as follows:

	2023 $	2022 $
Expenses		
Direct operating expenses [royalties]	**838,450**	743,677
Selling and administrative expenses [management fee]	**412,938**	105,555

Transactions and balances with a company under common control, Speedy Novus Glass LLC., other than those disclosed elsewhere, were as follows:

	2023 $	2022 $
Revenues		
Royalties	**84,266**	179,439

Transactions and balances with a company under common control, Novus 2 LLC., other than those disclosed elsewhere, were as follows:

	2023 $	2022 $
Expenses		
Selling and administrative expenses [management fees]	**—**	425,562
Cost of products sold	**90,471**	115,255

For tax returns purposes, the Company's results are included in the consolidated tax return of Mondofix USA LLC., its parent company. The theoretical income taxes otherwise payable by the Company is charged as an intercompany balance owing to its parent company for the purposes of disclosures at the entity level.

Finally, the advances to parent company and to a company under common control are non-interest bearing and do not have specific repayment terms. The accounts receivable from a company under common control and the accounts payable and accrued liabilities from the ultimate parent company are non-interest bearing and repayable on demand.

6. Membership's interest

The Company was incorporated on April 13, 2017 as a limited liability company registered in the State of the Delaware. No shares or units were issued upon its creation. The Company is registered as owned by its sole member Mondofix USA LLC.

During 2023, the Company paid cash distributions to its parent company for a total amount of $1,400,000 [$1,700,000 in 2022].

7. Income taxes

The income tax expense is comprised of:

	2023 $	2022 $
Current	**506,247**	322,604
Deferred	**(141,586)**	(33,351)
	364,661	289,253

Income tax expense attributable to net income differs from the amounts computed by applying the U.S. federal tax rate of 23.47% [2022 – 23.64%] and States tax rates where the Company operates.

	2023 $	2022 $
Income before income taxes	**1,560,328**	1,220,274
Expected tax effect at statutory tax rates	**366,154**	293,654
Other	**(1,493)**	(4,401)
Income tax expense	**364,661**	289,253

The tax effect of temporary differences, which comprise tax assets and liabilities amounted to $219,385 at December 31, 2023 [2022 – $77,799].

8. Financial instruments

Fair values

As at December 31, 2023, the carrying values of accounts receivable and accounts payable and accrued liabilities [excluding deferred income and sales tax payable] approximates their respective fair values due to their immediate or short term to maturity. The carrying value of notes receivable approximates their fair value as the interest rates approximate current market rates for notes with similar maturities and credit quality.

Notes to the financial statements

[In U.S. dollars]

December 31, 2023

Financial risks

The Company is exposed to various financial risks through transactions in financial instruments. The following provides information in assessing the extent of the Company's exposure to these risks.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's primary financial instruments exposure is credit risk mainly on its accounts receivable. Maximum exposure is represented by amounts reported for those balances. Credit risk is managed by engaging only pre-approved franchisees and financial instrument counterparties and monitoring regularly the collection of customers' dues to the Company.

Normal terms to the Company's franchisees range from 30 to 60 days. Management reviews accounts receivable past due and contacts franchisees on an ongoing basis with the objective of identifying matters that could potentially delay the collection of funds at an early stage.

In establishing the appropriate allowance for doubtful accounts, assumptions are made with respect to the future collectability of the receivables. Assumptions are based on an individual assessment of a franchisee's credit quality as well as subjective factors and trends. Management believes the allowance is adequate.

Amounts other than current are considered to be past due. The following tables provide the aging analysis of accounts receivable:

Accounts receivable

	2023 $	**2022** $
Current	**533,410**	508,325
31 to 60 days	**25,101**	38,241
61 to 90 days	**11,606**	48,476
91 days +	**265,877**	313,104
Total accounts receivable	**835,994**	908,146
Less: allowance for doubtful accounts	**(283,658)**	(345,962)
	552,336	562,184

The following tables reflect the movement in the allowance for doubtful accounts for accounts receivable and notes receivable:

Notes to the financial statements

[In U.S. dollars]

December 31, 2023

Allowance for accounts receivable

	2023 $	2022 $
Balance, beginning of year	**345,962**	305,743
Additions to allowance	**10,218**	89,260
Write-down of accounts receivable	**(72,522)**	(49,041)
Balance, end of year	**283,658**	345,962

9. Government assistance

During fiscal 2022, the Company received a total amount of $98,787 from the employee retention credit program which were recorded against selling and administrative expenses.

10. Subsequent events

The Company considers events or transactions that occur after the balance sheet date but prior to the issuance of the financial statements to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. Subsequent events have been evaluated through March 29, 2024, the date these financial statements are available to be issued, and the financial statements reflect those material items that arose after the balance sheet date but prior to this date that would be considered recognized subsequent events.

NOVUS FRANCHISING 2 LLC

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT B: LIST OF OPERATIONAL FRANCHISEES AS OF DECEMBER 31, 2023

FRANCHISEE	ADDRESS	CITY	STATE	ZIP	BUSINESS PHONE
Wesley Wenger and Cameron Boeckner	PO Box 1302	Atmore	AL	36504	251-368-1466
Wesley Wenger and Cameron Boeckner	PO Box 1302	Atmore	AL	36504	251-368-1466
Wayne Johnson	433 County Road 10	Newbern	AL	36765	334-624-9988
Dennis and David Moser	8515 Corbin Drive	Anchorage	AK	99507	907-344-3672
Dennis and David Moser	8515 Corbin Drive	Anchorage	AK	99507	907-344-3672
Dennis and David Moser	8515 Corbin Drive	Anchorage	AK	99507	907-344-3672
Clear View Auto, LLC	3317 East Bell Road, Suite 101	Phoenix	AZ	85032	623-937-7278
Roy and Delena Bass	PO Box 5861	Fort Smith	AR	72913	479-414-1381
Roy and Delena Bass	PO Box 5861	Fort Smith	AR	72913	479-414-1381
Roy and Delena Bass	PO Box 5861	Fort Smith	AR	72913	479-414-1381
Dan Del Carlo	PO Box 4468	Chico	CA	95927	530-343-0180
California Glass Solutions Inc.	1931 Market Street Suite A	Concord	CA	94520	925-969-0201
California Glass Solutions Inc.	965 Olive Drive	Davis	CA	95616	530-756-2000
Montclair Auto Collision Center Inc.	4741 Arrow Highway	Montclair	CA	91763	909-788-4150
Ski Family LLC	10637 Montego Drive	San Diego	CA	92124	858-279-4049
Frank Aguero	46 Centennial Way	San Ramon	CA	94583	925-999-6511
Branson Auto Glass Specialties, Inc.	41184 US Hwy 6, Unit 230	Avon	CO	81620	970-471-0338
Red Ape Holdings Inc	3013 Windrift Lane	Berthoud	CO	80513	720-480-3074
Red Ape Holdings Inc	3013 Windrift Lane	Berthoud	CO	80513	720-480-3074
David Zamansky	500 Buggy Cir., Suite 1	Carbondale	CO	81623	970-963-3891
II LAWS LLC	10515 E 40th Ave, Suite 107	Denver	CO	80239	720-965-2326
II LAWS LLC	10515 E 40th Ave, Suite 107	Denver	CO	80239	720-965-2326
Christopher David Lawson	7704 S College Ave	Ft. Collins	CO	80525	970-593-1234
Christopher David Lawson	7704 S College Ave	Ft. Collins	CO	80525	970-593-1234
CSP Glass LLC	544 20 1/2 Road	Grand Junction	CO	81507	970-462-6666
TLCM, LLC	PO Box 3597	Pagosa Springs	CO	81147	970-264-2566
Cascade Group, LLC	8726 Wildrye Circle	Parker	CO	80134	303-663-1800
Bandiherm, LLC	417 W 5th Street	Pueblo	CO	81003	719-545-2328
KJ Hilferty Inc.	932 Hamilton Street	Sterling	CO	80751	970-520-2525
Walter Solms and Paige Degrammont	3501 Rock Oak Trail	Edgewater	FL	32141	386-690-3604
FL Glass LLC	8917 Western Way, Suite 8B	Jacksonville	FL	32256	786-307-2724

FRANCHISEE	ADDRESS	CITY	STATE	ZIP	BUSINESS PHONE
FL Glass LLC	345 Blanding Blvd, Suite B	Orangeville	FL	32073	904-289-2904
Blue Sky Services Inc.	4411 Bee Ridge Rd #424	Sarasota	FL	34233	941-302-2096
In-Laws Unlimited Inc.	3601 Tyrone Blvd North	St. Petersburg	FL	33710	720-422-2023
Triple K Auto Glass, Inc.	5851 West Avenue	Lavonia	GA	30553	706-376-1717
Custom Glass Solutions, LLC	PO Box 1600	Wrens	GA	30833	706-547-7775
A.E.O.I., LLC (See Note 1)	11908 E. Sprague Avenue	Spokane Valley	WA (See Note 1)	99206	509-228-9000
Delbert Unruh and Jennifer Unruh	659 Overland Ave	Burley	ID	83318	208-678-3309
KMGE, Inc.	PO Box 462	McCommon	ID	83250	208-406-8770
Kay Roach	2237 North Meridian Rd	Chana	IL	61015	815-964-3500
MDK Glass Repair LLC	22988 Lakeview Estates Blvd	Frankfort	IL	60423	217-994-7862
Bernard Bass	PO Box 4	Northbrook	IL	60062	847-564-1060
Daniel Becker	7649 E County Road 150 S	Orleans	IN	47452	812-755-9080
Trent Alberts	306 2nd Avenue	Sully	IA	50251	641-990-8656
Trent Alberts	306 2nd Avenue	Sully	IA	50251	641-990-8656
LPO's Auto Glass, LLC	4419 Lake Street	Lake Charles	LA	70605	337-527-7540
LPO's Auto Glass, LLC	4419 Lake Street	Lake Charles	LA	70605	337-527-7540
Argent of Louisiana, LLC	PO Box 65027	Shreveport	LA	71136	318-603-9122
Argent of Louisiana, LLC	9210 Wallace Lake	Shreveport	LA	71106	318-603-9122
The Inspection Station, LLC	1590 Maplewood Drive	Sulphur	LA	70663	337-527-7540
MACPC RX, LLC	PO Box 2042	Bangor	ME	04402	207-945-6688
S & J Donley Enterprises, LLC	6 Carriage Hill Dr	Hagerstown	MD	21742	301-991-8330
Michael Henry	PO Box 1045	Jackson	MI	49204	517-782-5611
Chester Owens, Jr.	3036 West Albain Rd	Monroe	MI	48161	734-269-1340
Steve Stoa	1311 Richwood Road	Detroit Lakes	MN	56501	218-846-1695
Durwood Larson	17161 Jefferson Court	Lakeville	MN	55044	952-897-1280
Gary Fix and Son, Inc.	755 Highway 65 S	Mora	MN	55051	320-679-4177
Gary Fix and Son, Inc.	755 Highway 65 S	Mora	MN	55051	320-679-4177
Gary Fix and Son, Inc.	755 Highway 65 S	Mora	MN	55051	320-679-4177
Roderick Ensz	PO Box 106	Macon	MS	39341	662-726-0065
Bozeman Windshield LLC	243 Talon Way	Bozeman	MT	59718	406-381-7521
LK Enterprises, Inc.	PO Box 118	Charlo	MT	59825	406-207-7041
LK Enterprises, Inc.	PO Box 118	Charlo	MT	59825	406-207-7041
James M. Linscott	PO Box 1299	Dillon	MT	59725	406-683-2846
Lane Enterprises, LLC	PO Box 4727	Helena	MT	59604	406-443-0330
Clarence G. Horner	306 1/2 South F Street	Livingston	MT	59047	406-539-7663
D & B DANNAR, Inc.	76475 Road 343	Elsie	NE	69134	308-228-2020
D & B DANNAR, Inc.	76475 Road 343	Elsie	NE	69134	308-228-2020
David Sattler	PO Box 933	Kearney	NE	68848	308-234-1049
Glendon D. Unruh	PO Box 327	Scotia	NE	68875	308-380-9051

FRANCHISEE	ADDRESS	CITY	STATE	ZIP	BUSINESS PHONE
Menzer NV, LLC	617 Long Valley Road	Gardnerville	NV	89460	775-790-0689
James H. Perkins	7435 S Eastern Ave., Suite 5-503	Las Vegas	NV	89123	702-598-3335
James H. Perkins	7435 S Eastern Ave., Suite 5-503	Las Vegas	NV	89123	702-598-3335
McPerky's Glass LLC	7435 S Eastern Ave., Suite 5-503	Las Vegas	NV	89123	702-598-3335
PJ Glass Inc	52 Sams Path	Rocky Point	NY	11778	631-317-9100
Gregory Dirks and Becky Dirks	PO Box 405	Morven	NC	28119	704-851-3880
The Paull Corp	220 Woodland Drive	Wilmington	NC	28403	910-202-4710
Mark Rice	PO Box 30186	Gahanna	OH	43230	614-899-0382
RAK Enterprise LLC	PO Box 1033	Pryor	OK	74362	918-825-4888
Fritz Family, LLC	1535 W 7th Ave	Eugene	OR	97402	541-957-9916
Fritz Family, LLC	2842 NE Stephens St.	Roseburg	OR	97470	541-957-9916
F Craig Gostnell	PO Box 50	Williams	OR	97544	800-848-2225
F Craig Gostnell	PO Box 50	Williams	OR	97544	800-848-2225
Kenneth S. Sauder	468 Bastian Road	Kutztown	PA	19530	610-641-0473
Itei Auto Glass Inc.	1141 South Cleveland Street	Philadelphia	PA	19146	215-790-1984
Kevin Hoffman	618 37th St	Rapid City	SD	57702	605-347-4287
Craig Sedlacek and Janice Sedlacek	PO Box 144	Sioux Falls	SD	57104	605-334-1122
Krystle Clear Enterprises LLC	2035 Hutchinson Road	Finger	TN	38334	620-951-0309
Perkins Financial LLC	1400 Preston Road	Plano	TX	75093	214-733-2789
Darren Friesen	6683 FM 79	Sumner	TX	75486	903-609-1122
DSP Glass LLC[2]	11911 Crosswinds Way	San Antonio	TX	78233	210-850-3536
Jackson and Peter McNeil	10665 South 700 East	Sandy	UT	84070	801-821-2250
Sole Provider, Inc.	1749 E Red Hills Pkwy	St. George	UT	84770	435-656-2594
Task Family Holdings, Inc.	361 East 100 N	Wellsville	UT	84339	435-770-8320
LUNEAU BROTHERS GLASS, LLC	52 Ferris Street	St. Albans	VT	05478	802-309-9240
Avery Andrews	10403 Leadbetter Rd	Ashland	VA	23005	804-800-5701
D R Scott Inc	12650 McManus Blvd., Ste 204	Newport News	VA	23602	757-369-9865
D R Scott Inc	12650 McManus Blvd., Ste 204	Newport News	VA	23602	757-369-9865
Rocky Storm	910A 25th St	Anacortes	WA	98221	360-293-8647
Samuel R. Cox and Carrie L. Cox	320 SW Riverside Drive	Chehalis	WA	98532	360-748-3784
Samuel R. Cox and Carrie L. Cox	320 SW Riverside Drive	Chehalis	WA	98532	360-748-3784
Samuel R. Cox and Carrie L. Cox	320 SW Riverside Drive	Chehalis	WA	98532	360-748-3784
Samuel R. Cox and Carrie L. Cox	320 SW Riverside Drive	Chehalis	WA	98532	360-748-3784

FRANCHISEE	ADDRESS	CITY	STATE	ZIP	BUSINESS PHONE
Samuel R. Cox and Carrie L. Cox	320 SW Riverside Drive	Chehalis	WA	98532	360-748-3784
Samuel R. Cox and Carrie L. Cox	320 SW Riverside Drive	Chehalis	WA	98532	360-748-3784
I M Glass Inc.	8418 120th Ave NE	Kirkland	WA	98033	425-803-3011
Larson Glass Technology, Inc.	851 Bethel Ave	Port Orchard	WA	98366	360-876-6000
Larson Glass Technology, Inc.	851 Bethel Ave	Port Orchard	WA	98366	360-876-6000
Larson Glass Technology, Inc.	851 Bethel Ave	Port Orchard	WA	98366	360-876-6000
Kashani Enterprises LLC	8040 Avondale Road NE	Redmond	WA	98052	425-242-5224
Matthew Anderson	11908 E. Sprague Avenue	Spokane Valley	WA	99206	509-228-9000
Roger Ware	PO Box 2598	Elkins	WV	26241	304-636-1580
Jers Repairs, LLC	806 W Commercial St	Appleton	WI	54914	920-991-1996
Smart Motors Inc.	2225 Eagle Drive	Middleton	WI	53562	608-852-8213
Smart Motors, Inc.	2225 Eagle Drive	Middleton	WI	53562	608-852-8213
Smart Motors, Inc.	2225 Eagle Drive	Middleton	WI	53562	608-852-8213
Kyle Schlender	W378 N5877 Valley Rd	Oconomowoc	WI	53066	800-374-1119
Grantco, Inc.	PO Box 21	Platteville	WI	53818	608-348-2255
Hodag Express, Inc	1871 N. Stevens St.	Rhinelander	WI	54501	715-365-5914
Bryon Peaster	205 West Avenue South	Westby	WI	54667	608-632-4290
Travis Randrup	1651 1st St. S	Wisconsin Rapids	WI	54494	715-424-2888
SCB Services LLC	8189 West Zero Road	Casper	WY	82604	307-333-5797
Troy Eberhardt	200 E. 17th Street, Suite D	Cheyenne	WY	82001	307-634-8087
Wolfe Auto Glass LLC	405 East Lakeway Road	Gillete	WY	82718	307-631-9550
Walton Industries, LLC	PO Box 3028	Evanston	WY	82931	307-362-9070
Wolfe Auto Glass LLC	347 North Main Street	Sheridan	WY	82801	307-631-9550

Notes:

1. This franchise is a mobile business with a territory in Idaho.
2. This franchise has signed a franchise agreement, but has not yet opened as of December 31, 2023.
3. No Area Development Agreements were in effect as of December 31, 2023.

NOVUS FRANCHISING 2 LLC

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT C: LIST OF DISCONTINUED FRANCHISEES

FRANCHISEES TERMINATED/CANCELED/NOT RENEWED/
NOT COMMUNICATED

FRANCHISEE	CITY	STATE	PHONE
Nicholas Goss	El Cajon	CA	(619) 316-6100
Avalon Incorporated	La Puente	CA	(434) 981-0485
Kathleen Gaboardi	Danbury	CT	(203) 792-2661
CRACK IS WHACK, INC	Okeechobee	FL	(863) 532-5493
Donald Strathmann[2]	Indianapolis	IN	
Midwest Auto Glass LLC	Henderson	KY	(812)-213-6111
Covington Enterprises LLC	Rockville	MD	(240) 354-1125
Covington Enterprises LLC	Rockville	MD	(240) 354-1125
Chester Owens, Jr.[1]	Monroe	MI	(734) 269-1340
Bradley Edward White	Shakopee	MN	(952) 270-5946
City Auto Glass, Inc. - Albert Lea	South St. Paul	MN	(651) 552-1000
City Auto Glass, Inc. - Alexandria	South St. Paul	MN	(651) 552-1000
City Auto Glass, Inc. - Bemidji	South St. Paul	MN	(651) 552-1000
City Auto Glass, Inc. - Brainerd	South St. Paul	MN	(651) 552-1000
City Auto Glass, Inc. - Duluth	South St. Paul	MN	(651) 552-1000
City Auto Glass, Inc. - Mankato	South St. Paul	MN	(651) 552-1000
City Auto Glass, Inc. - Owatonna	South St. Paul	MN	(651) 552-1000
City Auto Glass, Inc. - Rochester	South St. Paul	MN	(651) 552-1000
City Auto Glass, Inc. - South Saint Paul	South St. Paul	MN	(651) 552-1000
City Auto Glass, Inc. - St Cloud	South St. Paul	MN	(651) 552-1000
City Auto Glass, Inc. - Willmar	South St. Paul	MN	(651) 552-1000
City Auto Glass, Inc. - Winona	South St. Paul	MN	(651) 552-1000
City Auto Glass, Inc. - Crystal	South St. Paul	MN	(651) 552-1000
Arthur W. Goins, JR	Teaneck	NJ	(201) 837-1858
NAMC Corp.	Greensboro	NC	(336) 685-1206
RAK Enterprise, LLC[1]	Pryor	OK	(918) 825-4888
Robert S. Bauer	Eugene	OR	(541) 607-1700
Andrew Herring	Charlottesville	VA	(434) 981-0485

FRANCHISEES THAT TRANSFERRED
OR ASSIGNED A FRANCHISE TO A NEW OWNER

FRANCHISEE	CITY	STATE	PHONE
Tulum Enterprises, LLC	Scottsdale	AZ	(623) 937-7278
Kent Carpenter[2]	Indianapolis	IN	(317) 251-3573
Zepeda's and Paw's, LLC	Gardnerville	NV	(775) 783-1130

Notes:

1. This franchisee continues to own other outlets in the franchise system.

2. Shortly after the Indianapolis, IN location was transferred, the transferee passed, which is why this location is listed in both tables above, and no phone number is given for the transferee.

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

NOVUS FRANCHISING 2 LLC

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT D: NOVUS® AREA DEVELOPMENT AGREEMENT, FRANCHISE AGREEMENTS, STANDARD RE-FRANCHISE ADDENDUM, RE-FRANCHISE (RETIREMENT) ADDENDUM, AND GLASS REPAIR ONLY RE-FRANCHISE ADDENDUM

NOVUS FRANCHISING 2 LLC

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT D-1: NOVUS FRANCHISING 2 LLC AREA DEVELOPMENT AGREEMENT

AREA DEVELOPMENT AGREEMENT

BETWEEN

NOVUS FRANCHISING 2 LLC
Suite 100, 650 Pelham Boulevard
St. Paul, MN 55114
Tel: (952) 944-8000
Fax: (952) 944-2542

AND

[Insert Name, Address and Phone number

of Franchisee]

Development Territory:

[Insert Territory]

Date of Franchise Agreement
[●], 20●●

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NOVUS GLASS
AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT (this "**Agreement**") is made and entered as of the ___ day of _____, 20__ (the "**Effective Date**"), by and between Novus Franchising 2 LLC, a Delaware limited liability company ("**we**" or "**us**") and **[Insert Name of Person or Entity]**, a(n)_____ ("**you**" or "**your**").

INTRODUCTION

A. We have the right to use and license a business concept under the names "Novus®" and "Novus Glass®", and other trademarks, service marks, trade names, logos and commercial symbols we own or that are licensed to us (the "**Marks**") for operating, franchising, and licensing retail and mobile businesses of a distinctive character and quality that specialize in repairing windshields, installing and repairing automotive glass, and installing and repairing other glass products using the methods, specialized training, standards of quality and service, procedures, specifications and instructions that we establish and modify from time to time (the "**Business System**").

B. You have told us you want to acquire the right to develop, own, and operate multiple retail locations and/or mobile businesses under the Marks within a specified geographic area. You recognize that while you will have certain limited rights to transfer your interest in this Agreement, and in the businesses you develop, we are entering into this Agreement with you based on your representation that you intend to personally develop all of the businesses described in this Agreement, and not with a view to reselling your right to open these businesses.

C. You acknowledge that you have had an adequate opportunity to be thoroughly advised of the provisions of this Agreement, the forms of franchise agreement we currently use to grant rights to operate Novus Glass businesses, and our Franchise Disclosure Document, and have had sufficient time and opportunity to evaluate and investigate the Business System and the procedures and financial requirements associated with the Business System, as well as the competitive market in which it operates.

In consideration of the foregoing and the mutual covenants and consideration below, you and we agree as follows:

1. Grant of Development Rights. We hereby grant to you, under the terms and conditions of this Agreement, the right to develop and operate the number of Novus Glass® businesses identified in the Rider (the "Novus Business(es)"), within the territory described in the Rider attached hereto (the "Development Territory"). The following provisions control with respect to such rights:

A. You agree to be bound by the "Development Schedule" set forth in the Rider. Time is of the essence for the development of each Novus Business in accordance with the Development Schedule.

B. Unless otherwise indicated in the Rider and except as set forth in Section C below, if you are in compliance with the Development Schedule set forth in the Rider, we will not develop or operate or grant anyone else a franchise to develop and operate a Novus Glass® business from any fixed location in the Development Territory, nor will we grant anyone the right to operate any mobile Novus Glass® business within the Development Territory, prior to the expiration or termination of this Agreement.

C. You acknowledge and agree that (i) we and our affiliates have the right to grant other franchises or operate company or affiliate owned Novus Glass® businesses at locations outside the Development Territory even if they compete with your Novus Businesses for customers in or near the

Development Territory, and (ii) we and our affiliates have the right to operate, and to grant franchises or licenses to others to operate, businesses that offer Glass Repair and Glass Replacement Products and Services, and other businesses, within and outside the Development Territory under trademarks other than the Marks, all without compensation to you. In addition, you acknowledge that we may have previously granted one or more franchises and/or affiliate license agreements in the Development Territory, that these license agreements allow the licensee to offer Glass Repair and Replacement Products and Services through their existing businesses that may be located within your Development Territory, and those licensees will be able to continue to offer Glass Repair and Replacement Products and Services under their existing franchise or license agreements, including having the right to renew those agreements and to transfer their rights to any purchaser of their Novus Glass® business.

2. Development Fee. You must pay us a Development Fee in an amount equal to $10,500, multiplied by the number of Novus Businesses set forth in the Rider. This fee is payable in full when you sign this Agreement. However, we will credit $10,500 of this fee against the Initial Fee payable to us under each of the Franchise Agreements you sign for the Novus Businesses.

A. You must sign the Franchise Agreement for your first Novus Business concurrently with this Agreement, and pay to us all fees due under such agreement (with a credit of $10,500 toward the Initial Fee as set forth above).

B. The Development Fee is consideration for this Agreement and not consideration for any Franchise Agreement. It is fully earned by us when we sign this Agreement and is non-refundable.

3. Development Schedule. The following provisions control with respect to your development rights and obligations:

A. You must comply with the Development Schedule requirements regarding (i) your signing of the Franchise Agreements, (ii) the opening date for each Novus Business, and (iii) the cumulative number of Novus Businesses to be opened and continuously operating in the Development Territory. If you fail to either sign a Franchise Agreement or to open a Novus Business according to the dates set forth in the Rider, we, in our sole discretion, may immediately terminate this Agreement pursuant to Section 5.

B. You may not open a Novus Business under this Agreement unless you have notified us of your intention to develop the Novus Business at least thirty (30) days prior to the date set forth for signing the Franchise Agreement in the Development Schedule and met each of the following conditions (these conditions apply to each Novus Business to be developed in the Development Territory):

1. Good Standing. You must not be in default of this Agreement, any Franchise Agreement entered into pursuant to this Agreement or any other agreement between you or any of your affiliates and us or any of our affiliates. You also must have satisfied on a timely basis all monetary and material obligations under the Franchise Agreements for all existing Novus Businesses.

2. Execution of Franchise Agreement. You and we have entered into our current form of Franchise Agreement for the proposed Novus Business. You understand that we may modify the then-current form of Franchise Agreement from time to time and that it may be different than the current form of Franchise Agreement, including different fees and obligations; provided, however, that we will credit $10,500 against the Initial Fee payable under each of those agreements. You understand and agree that any and all Franchise Agreements will be construed and exist independently of this Agreement. Once you and we have signed each Franchise Agreement, the

terms and conditions of that Franchise Agreement control the establishment and operation of the Novus Business required to be operated thereunder, and except as specifically set forth in this Agreement, the establishment and operation of each Novus Business must be in accordance with the terms of the applicable Franchise Agreement.

C. For each of the Novus Businesses you open, you will have the option of opening either a business operated from a fixed location, or a business operated as a mobile business, and you will sign our then-current form of franchise agreement for the type of business you select; provided, however, that (i) one of the first two (2) Franchise Agreements you sign for a Novus Business in the Development Territory must be for a business operating from a Retail Location, and (ii) if this Agreement allows you to operate more than five (5) Novus Businesses, then by the time you have signed your sixth Franchise Agreement hereunder, at least two (2) of those Franchise Agreements must be for Retail Locations, and you must thereafter continually operate Novus Glass businesses from at least two (2) Retail Locations in the Development Territory.

4. Term. Unless sooner terminated in accordance with Section 5 of this Agreement, the term of this Agreement and all rights granted to you will expire ten (10) years following the Effective Date.

5. Default and Termination. You will be deemed in default under this Agreement if you breach any of the terms of this Agreement or if you or any affiliate of yours breaches any of the terms of any Franchise Agreement or any other agreement that you or your affiliates have with us or our affiliates. For purposes of this Agreement, an "affiliate" of any person will be any person or entity that controls that person, is under the control of that person, or is under common control with that person. All rights granted in this Agreement immediately terminate upon written notice without opportunity to cure if: (i) you become insolvent, commit any affirmative action of insolvency or file any action or petition of insolvency, (ii) a receiver (permanent or temporary) of your property is appointed by a court of competent authority, (iii) you make a general assignment or other similar arrangement for the benefit of your creditors, (iv) a final judgment against you remains unsatisfied of record for thirty (30) days or longer, (v) execution is levied against your business or property, or the business or property of any of your affiliates that have entered into Franchise Agreements with us, (vi) a suit to foreclose any lien or mortgage against premises or equipment associated with a Novus Business is instituted against you and not dismissed within thirty (30) days, or is not in the process of being dismissed, (vii) you fail to timely meet your development obligations set forth in the Development Schedule, (viii) you or any of your affiliates open any Novus Business before that person or entity has signed a Franchise Agreement with us for that business in the form we provide, (ix) you transfer or assign or purport to transfer or assign this Agreement or your interest in this Agreement without our consent, (x) you fail to comply with any other provision of this Agreement, or your or any of your affiliates fail to comply with any other agreement you or they have with us or with our affiliates, including any Franchise Agreement, and do not correct the failure within thirty (30) days after written notice of that failure is delivered to the breaching party (except that if the failure to comply is the third failure to comply with any provision of any agreement that you or any of your affiliates have with us or an affiliate of ours within twelve (12) consecutive months, then we need not provide any opportunity to cure the default), or (xi) we have delivered to you or any of your affiliates a notice of termination of a Franchise Agreement in accordance with its terms and conditions.

6. Rights and Duties of Parties Upon Termination or Expiration. Upon termination or expiration of this Agreement, all rights granted to you will automatically terminate, and:

A. All remaining rights granted to you to develop Novus Businesses under this Agreement will automatically be revoked and will be null and void. You will not be entitled to any refund of any fees.

B. You must, within five (5) business days of the termination or expiration, pay all sums owing to us and our affiliates. In addition, you agree to pay as fair and reasonable liquidated damages (but not as a penalty) an amount equal to Ten Thousand Dollars ($10,000) for each undeveloped Novus Business. You agree that this amount is in addition to the Development Fees paid under this Agreement, and is for lost revenues from Royalty Fees and other amounts payable to us, including the fact that you were holding the development rights for those Novus Businesses and precluding us from developing other Novus Businesses in the Development Territory, and that it would be difficult to calculate with certainty the amount of damage we will incur. Notwithstanding your agreement, if a court determines that this liquidated damages payment is unenforceable, then we may pursue all other available remedies, including consequential damages.

7. Transfer. The following provisions govern any transfer:

A. We have the right to transfer all or any part of our rights or obligations under this Agreement to any person or legal entity.

B. This Agreement is entered into by us with specific reliance upon your personal experience, skills and managerial and financial qualifications. Consequently, this Agreement, and your rights and obligations under it, are and will remain personal to you. You may only Transfer your rights and interests under this Agreement if you obtain our prior written consent.

1. As used in this Agreement, the term "Transfer" means any sale, assignment, lease, gift, pledge, mortgage or any other encumbrance, transfer by bankruptcy, transfer by judicial order, merger, consolidation, share exchange, transfer by operation of law or otherwise, whether direct or indirect, voluntary or involuntary, of this Agreement or any interest in it, or any rights or obligations arising under it, or of any material portion of your assets, or of any interest in you. You acknowledge that these provisions prohibit you from subfranchising or sublicensing any right you have under any agreement with us, and that your intent in entering into this Agreement is that you (and not any licensee or transferee) will be opening and operating the Novus Businesses to be developed under this Agreement. In addition, if there are two (2) individuals signing this Agreement as Franchisee, and one (1) of those individuals is no longer involved in the ownership of the business that is developing Novus Businesses, the withdrawal of that person shall be considered a "Transfer." A "Transfer" shall also be deemed to occur when there are more than two (2) people listed as the Developer and there is a change of the ownership of the business such that less than a majority of the original signators continue to have a majority interest in the equity of the business.

2. We will not charge you any fee in connection with your Transfer of your interest in this Agreement. However, as a condition to our approval of any Transfer, you must also transfer all Franchise Agreements you have signed for all of the Novus Businesses you have developed, or are in the process of developing under this Agreement to the same person or entity that acquires your interest in this Agreement, and you must comply with all of the conditions for transferring each of those agreements, including the requirement to pay a transfer fee in connection with the transfer of each of those agreements.

3. The restriction on Transfer contained in this Agreement does not apply to, or otherwise restrict, your right to transfer any interest in any Franchise Agreement you previously signed for any Novus business to be developed under this Agreement. You may transfer those agreements apart from any rights you have in this Agreement, provided you comply with the transfer provisions of each agreement you seek to transfer.

8. Miscellaneous. The provisions set forth in the Franchise Agreement for your first Novus Business entitled "FRANCHISEE'S COVENANTS NOT TO COMPETE," "INDEMNIFICATION," "INTERPRETATION AND ENFORCEMENT OF AGREEMENT," "Governing Law," "Severability," and "DISCLAIMER AND ACKNOWLEDGMENTS," are hereby incorporated into this Agreement by reference and shall be applicable to this Agreement until such time as you sign a subsequent Franchise Agreement, at which time the provisions of the new agreement containing provisions similarly titled shall be incorporated into this Agreement by reference in place of the previous provisions. Likewise, if you later sign yet another Franchise Agreement, at all times, the provisions contained in the last Franchise Agreement you sign with us that are found under these titles are hereby incorporated into this Agreement by reference in place of the previous provisions. You acknowledge having received a copy of our current forms of Franchise Agreement for use in the sale of Novus Businesses, and that until you sign a Franchise Agreement for your first Novus Business, the provisions of the form Franchise Agreement we provided to you for a Retail Location, that are identified by these headings will be deemed incorporated herein by reference and applicable to this Agreement. Any reference to the expression "this Agreement" in the Articles and Sections referenced in the first sentence above will be interpreted as a reference to this Area Development Agreement and any reference to "ADR" will read as the Development Territory. Any capitalized terms used herein that are not otherwise defined shall have the meaning ascribed thereto in the first Franchise Agreement you sign for a Novus Business in exercise of your development rights under this Agreement. Nothing in this Agreement or any related agreement is intended to disclaim any representations made in the Franchise Disclosure Document you acknowledge having received at least 14 calendar days prior to the execution of this Agreement. The use of the term "including" in this Agreement shall mean "including without limitation."

9. Survival of Terms. Any provisions of this Agreement which, by their nature, may or are to be performed following expiration or termination of this Agreement, shall survive such termination or expiration.

10. Provisions Applicable to Specific States. To the extent set forth below, the designated provisions of this Agreement will be amended and revised in certain states as follows:

(a) **California**. If this Agreement is governed by the laws of California, then:

(i) The covenant not to compete upon termination or expiration of this Agreement referenced in Section 8 may be unenforceable, except in certain circumstances provided by law;

(ii) Provisions of this Agreement giving us the right to terminate in the event of your bankruptcy may not be enforceable under federal bankruptcy laws (11 U.S.C. Sec. 101, *et seq.*);

(iii) To the extent that the provisions of this Agreement provide for periods of notice less than those required by California law, or provide for transfer, termination, cancellation, non-renewal or the like other than in accordance with California law, such provisions shall, to the extent such are not in accordance with California law, be superseded by said law;

(iv) The choice of law and forum provisions of this Agreement referenced in Section 8 may be unenforceable in California, except in certain circumstances provided by law;

(v) The maximum interest rate to be charged in California is 10%;

(vi) Section 22.2 of the Franchise Agreement, titled "Your Acknowledgements," is not incorporated into this Agreement through Section 8 of this Agreement and shall not apply to this Agreement; and

(vii) 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

(b) **Hawaii**. If this Agreement is governed by the laws of Hawaii, then:

(i) Section 22.2 of the Franchise Agreement, titled "Your Acknowledgements," is not incorporated into this Agreement through Section 8 of this Agreement and shall not apply to this Agreement; and

(ii) 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

(c) **Illinois**. If this Agreement is governed by the laws of Illinois, then the following provisions apply:

(i) Illinois law governs the franchise agreements;

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

(iii) Franchisees' rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act; and

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

(v) 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

[See the last page for your required signature]

(d) **Indiana**. If this Agreement is governed by the laws of Indiana, then:

(i) You will have the right to petition a Court of competent jurisdiction for injunctive relief relating to the alleged improper termination of this Agreement by us or our alleged unreasonable refusal to consent to your Transfer of this Agreement under Section 7;

(ii) A Court of competent jurisdiction will determine (1) whether damages alone can adequately compensate us if there is a violation of your noncompete obligations, and (2) whether we will be required to post a bond or other security, and the amount of that bond or other security, in any injunctive proceeding we bring against you, your Owners or the Personal Guarantors;

(iii) We each recognize that the Indiana Deceptive Practices Act (the **"Indiana Law"**) Law prohibits us (1) from unfairly competing against you in the Development Territory, or (2) from enforcing any covenant not to compete beyond a reasonable distance from the Development Territory;

(iv) The indemnification provisions are amended to provide that you are not obligated to indemnify us for any liability caused by your proper reliance on or use of procedures or materials we provide to you, or for liability arising from our negligence;

(v) Your acknowledgment of substantial business contacts with us in Ramsey County, Minnesota and your consent to jurisdiction and venue in Ramsey County, Minnesota may not apply, but that does not mean that venue in Ramsey County, Minnesota is improper, or that you, your Owners and the Personal Guarantors are not subject to jurisdiction in Ramsey County, Minnesota or in any other state;

(vi) Any provisions requiring litigation to take place in Ramsey County, Minnesota will not apply if there is litigation between you and us;

(vii) You will always have up to two years to bring an action against us for a violation of the Indiana Law, and up to three years from the date of discovery to bring an action against us for a violation of the Indiana Law; and

(viii) You do not, by signing this Agreement, waive your rights under Indiana Law with respect to any representations we made before the date of this Agreement.

(e) **Maryland**. If your Development Territory is located in, or you are a resident of Maryland, then this Agreement will be governed by the laws of Maryland, and this Agreement will be amended and revised as follows:

(i) Section 14-216(c)(25) of Maryland Franchise Registration and Disclosure Law, Md. Ann. Code, Article—Business Regulation, Title 14, Section 14-201 *et seq.* (the "**Maryland Law**") requires us to file an irrevocable consent to be sued in Maryland and so your consent to jurisdiction and venue in Ramsey County, Minnesota contained in Section 8 will not apply, and you may sue us in Maryland for claims arising under the Maryland Law; and

(ii) Any provision of this Agreement that requires you to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would be a violation of the Maryland Law in order to purchase the Franchise will not act as a release, estoppel or waiver of any liability we have under the Maryland Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years of the grant of the Franchise;

(iii) Section 22.2 of the Franchise Agreement, titled "Your Acknowledgements," is not incorporated into this Agreement through Section 8 of this Agreement and shall not apply to this Agreement; and

(iv) 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

(v) Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

(f) **Minnesota**. If you are a resident of Minnesota, or any portion of the Development Territory is located in Minnesota, then:

(i) Section 5 will be amended to require that notice will be given to you at least 90 days before we terminate this Agreement, and you will have 60 days after receiving that notice to correct the breach specified in the notice;

(ii) A court of competent jurisdiction will determine whether we are required to post a bond or other security to obtain an injunction against you, your Owners or Personal Guarantors, and the amount of the bond or other security;

(iii) The provisions requiring waiver of a right to a jury trial or punitive damages, or payment of liquidated damages are deleted from this Agreement;

(iv) Any limitation on the time for bringing claims shall not apply to any claims you may have under Minnesota Statutes, Section 80C.17; and

(vii) Any provisions of this Agreement or any addendum to this Agreement requiring a general release will not apply, but you will still be bound by the other terms and conditions of this Agreement and any addendum to this Agreement thereto;

(viii) 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

(g) **New York**. If this Agreement is governed by the laws of New York, then:

(i) The indemnification provisions will be amended to provide that you are not required to indemnify us against claims arising out of our breach of contract, negligence or other civil wrong;

(ii) The choice of law provisions of this Agreement will not be considered a waiver of any right you are given under Article 33 of the General Business Law of the State of New York;

(iii) Any release required in this Agreement or any addendum to this Agreement and the choice of law provisions of this Agreement will not be considered a waiver of any right you are given under Article 33 of the General Business Law of the State of New York;

(iv) Section 14.8 will be amended to provide that no assignment shall be made except to an assignee who in good faith and judgment of the Franchisor, is willing and financially able to assume the Franchisor's obligations under this Agreement;

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

(vi) Any sale made must be in compliance with Section 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. Section 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10 business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

(h) **North Dakota**. If this Agreement is governed by the laws of North Dakota, then:

(i) Section 5 of this Agreement will be amended to require that if we give you notice that you are delinquent in the payment of any fees or other payments you owe us, you will have 30 days after receiving notice to correct the breach by making full payment to us (including any applicable interest or late payment charges);

(ii) The covenant not to compete upon termination or expiration of this Agreement contained in Section 8 may not be enforceable, except in certain circumstances provided by law;

(iii) Notwithstanding any other provisions of this Agreement, the prevailing party in any enforcement action will be entitled to recover its costs, expenses and attorneys' fees;

(iv) This Agreement will be governed by the laws of North Dakota, rather than the laws of Minnesota;

(v) Your consent to jurisdiction and venue in Ramsey County, Minnesota may not apply, but that does not mean that venue in Ramsey County, Minnesota is improper, or that you, your Owners, and Personal Guarantors are not subject to jurisdiction in Ramsey County, Minnesota, or in any other state;

(vi) The provisions requiring waiver of punitive damages and a right to a jury trial are deleted from this Agreement; and

(vii) No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

(i) **Rhode Island**. If this Agreement is governed by the laws of Rhode Island, then any provision of this Agreement restricting jurisdiction or venue to a forum outside Rhode Island is void as to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

(j) **South Dakota**. If this Agreement is governed by the laws of South Dakota, then under *South Dakota Codified Laws* ("**SDCL**") 37-5B-26, any acknowledgment provision, disclaimer or integration clause or other provision having a similar effect in this Agreement will not negate or act to remove from judicial review any statement, misrepresentation or action that violates SDCL Chapter 37-5B or a rule or order under Chapter 37-5B.

(k) **Virginia**. If this Agreement is governed by the laws of Virginia, then the following provisions shall apply:

(i) 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

(l) **Washington**. If this Agreement is governed by the laws of Washington, then:

(i) If there is a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW (the "**Washington Act**"), will prevail;

(ii) RCW 19.100.180 may supersede this Agreement in your relationship with us, including the areas of termination and renewal of your franchise. There may also be court

decisions which may supersede this Agreement in your relationship with us, including the areas of termination and renewal of your franchise;

(iii) In any arbitration involving a franchise purchased in Washington, the arbitration site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator at the time of arbitration. In addition, if litigation is not precluded by this Agreement, you may bring an action or proceeding arising out of or in connection with the sale of the franchise, or a violation of the Washington Franchise Investment Protection Act, in Washington;

(iv) A release or waiver of rights you sign will not include rights under the Washington Act, except when signed in connection with a negotiated settlement after this Agreement is in effect and where we are each represented by separate counsel;

(v) Any provisions of this Agreement that unreasonably restrict or limit the statute of limitations period for claims under the Washington Act, or rights or remedies under the Washington Act like a right to a jury trial may not be enforceable;

(vi) Transfer fees we charge must reflect our reasonable estimated or actual costs in effecting a Sale or Transfer;

(vii) Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in this Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington;

(viii) RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in this Agreement or elsewhere are void and unenforceable in Washington; and

(iii) Section 22.2 of the Franchise Agreement, titled "Your Acknowledgements," is not incorporated into this Agreement through Section 8 of this Agreement and shall not apply to this Agreement; and

(iv) 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

(m) **Wisconsin**. If this Agreement is governed by the laws of Wisconsin, then the provisions of the Wisconsin Fair Dealership Law, Wis. Stat. Chapter 135, will supersede any conflicting terms of this Agreement.

[THIS AGREEMENT CONTINUES WITH A RIDER,
WHICH IS A PART OF THIS AGREEMENT]

AREA DEVELOPMENT AGREEMENT RIDER

1. Development Territory:

_____

_____

_____

2. Approximate population of the Development Territory as of the latest US Census available to us prior to the signing of this Agreement: _____

3. Number of Novus Businesses to be developed in the Development Territory: _____

4. Development Fee: _____

5. Development Schedule: You acknowledge and agree that a material provision of this Area Development Agreement is that the following number of Novus Businesses must be opened and continuously operated by you in the Development Territory in accordance with the following Development Schedule:

Novus Glass Business Number	**Date by Which Franchise Agreement Must Be Signed**	**Date by Which the Novus Business Must Commence Operating in the Territory**	**Cumulative Number of Novus Businesses to Be Opened and Operated by You in the Development Territory as of the Date in Preceding Column**
1	Date of this Agreement		1
2			2

IN WITNESS WHEREOF, we and you have signed this Agreement as of the day and year appearing on the first page.

FRANCHISOR:

NOVUS FRANCHISING 2 LLC

_____

By:_____

Its:_____

DEVELOPER:

_____

Legal Name of Franchisee/Developer

By:_____

_____

Print Name

Its:_____

PERSONAL GUARANTY

In consideration for, and to induce Novus Franchising 2 LLC (the "**Franchisor**") to sign the Area Development Agreement to which this Guaranty is attached (the "**Area Development Agreement**"), each person signing this Guaranty, jointly and severally guarantees to the Franchisor and to the Franchisor's successors and assigns the payment of all fees required to be paid to the Franchisor or its affiliates by the Developer identified in the Area Development Agreement, whether provided for in the Area Development Agreement or under any other agreement between the Franchisor and the Developer, and the performance by the Developer of all of the provisions of such agreements. The people signing this Guaranty also specifically agree to be individually bound by all covenants, obligations and commitments of the Developer contained in the Area Development Agreement to the same extent as if each of the people signing this Guaranty had personally signed the Area Development Agreement as Developer.

Each of the people signing this Guaranty understand and agree that any modification of the Area Development Agreement, including any addendum or addenda to the Area Development Agreement, or waiver by the Franchisor of the performance by the Developer of any of its obligations under the Area Development Agreement, or the giving by the Franchisor of any extension of time for the performance of any of the obligations of the Developer under the Area Development Agreement, or any other forbearance on the part of the Franchisor or any failure by the Franchisor to enforce any of its rights under the Area Development Agreement, including any addendum or addenda to the Area Development Agreement, or any release by the Franchisor of any of the obligations of the Developers, will not in any way release any of the people signing this Guaranty from liability under this Guaranty or terminate, affect or diminish the validity of this Guaranty, except to the same extent, but only to such extent, that the liability or obligation of the Developer is so released, terminated, or affected or diminished. Notice to the people signing this Guaranty of any such modification, waiver, extension or forbearance under the terms thereof is hereby waived.

No defense available to the Developer, except the Developer's full performance of its obligations, will be a defense for any of the people signing this Personal Guaranty or release of these people from their guarantees. This Guaranty will be enforceable upon 10 days' written notice by the Franchisor to any of the people signing this Guaranty of any default by the Developer of any of its covenants under the terms of the Area Development Agreement and addendum or addenda to the Area Development Agreement, and any other agreement between the Franchisor and the Developer.

Each of the people signing this Guaranty hereby waive any and all notice of default on the part of the Developer; waive exhausting of remedies or recourse against the Developer; and consent to any assignment of the Area Development Agreement, in whole or in part, that the Franchisor or its successors may make.

[The remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, each of the people signing this Guaranty have done so effective as of the date appearing next to their names.

Dated:

Individually

Address

City State Zip Code

Telephone

Dated:

Individually

Address

City State Zip Code

Telephone

4854-0392-5917, v. 4

NOVUS FRANCHISING 2 LLC

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT D-2: NOVUS FRANCHISING 2 LLC FRANCHISE AGREEMENT FOR RETAIL LOCATION

FRANCHISE AGREEMENT FOR RETAIL LOCATION

BETWEEN

NOVUS FRANCHISING 2 LLC
Suite 100, 650 Pelham Boulevard
St. Paul, MN 55114
Tel: (952) 944-8000
Fax: (952) 944-2542

AND

[Insert Name, Address and Phone Number of Franchisee]

Territory:

See Schedule "B"

Date of Franchise Agreement
[●], 20●●

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NOVUS GLASS
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "**Agreement**") is made, entered into and effective this _____ day of _____, 20__, by and between Novus Franchising 2 LLC, a Delaware limited liability company (the "**Franchisor**", "**us**" , "**we**" or "**Novus Glass**"), and **[Insert Name of Person or Entity]**, a(n)_____ (the "**Franchisee**," "**you**" or "**your**").

INTRODUCTION

A. We have the right to use and license a business concept under the name "Novus®" and other Marks for operating, franchising, and licensing retail businesses of a distinctive character and quality that specialize in windshield repair, installing and repairing automotive glass, and installing and repairing other glass products under the Business System.

B. You have told us you want to acquire the right to develop, own, and operate a retail location that operates under the Marks. You have promised us that you will operate the business under our quality standards, which we may change from time to time, and under the terms and conditions of this Agreement. Based on that promise from you, we are willing to provide you with marketing, technology, design specifications, training, and other business information, "know-how" and specifications that have been developed over time at a significant cost, and to license to you the right to offer products and services under the Marks.

C. You represent to us that, except as set forth in Item 19 of our Franchise Disclosure Document, no employee, agent or representative of our, our Affiliate, or our agents made any oral, written or visual representation or projection to you of actual or potential sales, earnings, or net or gross profits.

In recognition of this Introduction and in consideration of the mutual promises set forth in this Agreement, you and we agree as follows:

ARTICLE 1.
DEFINITIONS AND INTERPRETATION

1.1 **Definitions**. Certain capitalized terms used in this Agreement are defined in Schedule "A", the Glossary of Terms (which is incorporated into this Agreement by reference), or otherwise in the Agreement.

1.2 **Currency**. Unless otherwise indicated, all dollar amounts referred to in this Agreement are in United States Dollars.

1.3 **Headings**. The index to this Agreement and the headings of the Articles or sections hereof are included for reference only and do not form part of this Agreement.

1.4 **Other Interpretative Provisions**.

(a) The term "**you**" or "**Franchisee**" as used in this Agreement applies to one or more individuals, a corporation, company or partnership, as the case may be. References to "**you**," "**Franchisee**," "**assignee**" and "**transferee**" that apply to an individual or individuals will mean the principal owner or owners of your equity or operating control and any assignee or transferee if you or an assignee or transferee is a corporation, company or partnership.

(b) The word "**including**" means, "including but not limited to", and "including but not by way of limitation."

(c) References to any agreement, contract or plan are to that agreement, contract or plan as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof. Any reference in this Agreement to any person includes its heirs, administrators, executors, legal personal representatives, predecessors, successors and permitted assigns of that person.

(d) The Schedules annexed to this Agreement are incorporated by reference and form a part of this Agreement.

ARTICLE 2.
GRANT OF FRANCHISE

2.1 **Grant**. We hereby grant to you, and you hereby accept from us, the right, franchise and license, for the term and upon the terms and conditions hereinafter set forth, to operate the Business using the Marks (and no other trade name, trademarks, service marks, logos, or commercial symbols), and in conformity with the Business System. You will have the right to own and operate the Business at the Retail Location.

2.2 **Territory**. You will only have the right to use the Marks and the Business System in the Territory. You do not have the right to operate the Business or to solicit or sell any Products and Services under the Marks outside of the Territory, except with our written permission, which we may give or withdraw at our sole discretion. You may not change your Territory without our prior written approval, which approval we may withhold in our sole discretion.

2.3 **Territory Modification Fee**. If we approve a change in your Territory, we will sign an updated version of Schedule "B" with you to set forth the new Territory, but the new Territory will not take effect until we have each signed the updated version of Schedule "B," and then only after you pay us a Territory modification fee of $2,500, which fee will be due within 10 days after we approve the new Territory.

2.4 **Independent Relationship.** You are an independent business owner and, as a consequence, there is no employer-employee or principal-agent relationship between us and you. You will not have the right to and will not make any agreements, representations or warranties in our name or on our behalf or represent that our relationship is other than that of franchisor and franchisee. Neither of us will be obligated by or have any liability to the other under any agreements or representations made by the other to any third parties. You shall take all reasonable steps necessary to inform your employees, customers, suppliers, lenders and other business establishments with whom you do business, and the general public, that the Business is independently owned and operated by you.

2.5 **Operation of the Business**.

(a) You have the right to own and operate one Business from the Retail Location within your Territory. You shall provide to the public, on a full-time basis during normal business hours that we may determine, all Glass Repair and Glass Replacement Products and Services and all other Products and Services we prescribe or approve, throughout the Term.

(b) As a part of the Business, you must operate at least one vehicle fully equipped to provide Glass Repair and Glass Replacement Products and Services, all other automotive and other glass related Products and Services, and all other Products and Services we prescribe or approve,

throughout the Term. Unless we otherwise agree, in our sole discretion, you must lease from us all vehicles you use in the operation of the Business under this Agreement, and you must sign the agreements we require for use of those vehicles, comply with all terms of those agreements, and pay all fees we require for the use of the vehicles. The vehicles you operate under this Agreement may be operated only in your Territory and you may not solicit business outside your Territory.

(c) If a customer or potential customer requests any glass product or service that you do not offer at your Business, but the product or service is offered at another Novus business within or adjacent to your Territory, then you must refer the customer to another Novus business in accordance with our Manual.

(d) You will be totally and solely responsible for the operation of the Business, and will control, supervise and manage all the employees, agents and independent contractors who work for or with you or at the Retail Location. You will be solely responsible for the acts of your employees, agents and independent contractors, and will take all reasonable business actions necessary to ensure that they comply with all federal, state and local laws, rules and regulations. We will not have any right, obligation or responsibility to control, supervise or manage the Business, or your employees, agents or independent contractors.

2.6 **Territorial Protection; Reservation of Rights**. Provided that you are not in default of any provision of this Agreement, we will not operate, nor grant to any other individual, partnership or other entity, any right, franchise or license to operate another Glass Repair or Glass Replacement business, including a mobile business, using the Marks within the Territory; subject, however, to the rights we previously granted prior to the date of this Agreement to any existing franchisees or licensees to operate within the Territory, including the renewal or transfer of those rights. We expressly reserve all rights not granted to you by this Agreement or any area development agreement in effect between us. Accordingly, and without limitation to the foregoing, nothing in this Agreement or at law shall prevent us, our Affiliates, their respective franchisees, licensees or others, from (without compensation to you):

(a) franchising, licensing, owning, operating, and/or managing Glass Repair and/or Glass Replacement businesses, including mobile businesses, and other businesses that are operated under the Marks and/or under the Business System, outside of the Territory, even if these businesses compete for customers with the Business;

(b) franchising, licensing, owning, operating, and/or managing other glass repair and/or glass replacement businesses, both within and outside of the Territory, even if these businesses compete for customers with the Business, so long as they do not use the Marks or the Business System;

(c) selling, licensing or otherwise distributing any Products or Services to third parties who are not Novus businesses through any channel of distribution (including direct marketing, wholesale, infomercials, fleet, Internet, or electronic distribution), even if these third parties compete for customers with the Business; and

(d) purchasing, merging with, acquiring or affiliating with, or being purchased or acquired by, an existing network, chain, entity or any other business, regardless of the locations or territories of such other franchise, chain, entity or other business, both within or outside the Territory, and, following any such purchase, merger, acquisition or affiliations, operating, owning, franchising, licensing and/or managing those businesses, or be operated, owned,

franchised, licensed and/or managed by those businesses, using the Business System, both within or outside the Territory.

2.7 **Business System Modifications**. We reserve the right to make changes to the Operations Manual, the Business System, and the Marks at any time and without prior notice to you. You shall promptly alter any signs, products, business materials, services provided, methods or operation or related items, at your cost and expense, upon receipt of written notice of such change or modification in order to conform with our revised specifications.

2.8 **Scope of Business System Modifications**. You understand and agree that due to changes in competitive circumstances, presently unforeseen changes in the needs of customers, and/or presently unforeseen technological or other innovations, the Business System may not remain static, in order that it best serve the interests of the Franchisor, and its franchisees and the Business System. Accordingly, you expressly understand and agree that we may from time to time change the components of the Business System, including but not limited to: altering the products, services, standards, forms, policies and procedures of the Business System; adding to, deleting from or modifying the programs, products and services that you are authorized to offer and changing or modifying the Marks which may include a re-branding or de-branding of the Business System. You agree to adopt and abide by all such modifications, changes, additions, deletions and alterations at your sole expense.

2.9 **Quarterly Minimum Gross Revenues**. Each quarter during the Term, the Business must attain the following minimum quarterly Gross Revenues for Glass Repair and Glass Replacement Products and Services, respectively (the "**Minimum Gross Revenues**"):

Minimum Gross Revenues Each Quarter

Year of Agreement	
1	$20,000
2	$40,000
3 and each subsequent year	$60,000

A year will be measured from the first day of the month following the month you sign this Agreement. If you have entered this Agreement by way of an option to reacquire, renew or extend, then you must always, during every quarter of the Term, attain the Minimum Gross Revenues applicable to Year 3 in the table above. A "Quarter" will mean three (3) consecutive calendar months, beginning on the date of the first full three months after the date of this Agreement. If you do not generate the Minimum Gross Revenues during any quarter of this Agreement, then we will have the right to terminate this Agreement under the terms of Section 15.1.

2.10 **Conditions**.

(a) You shall operate the Business throughout the Territory in compliance with the terms of this Agreement and in conformity with the Business System for the entire Term.

(b) The rights and privileges we grant to you under this Agreement are personal in nature; you do not have the right to franchise, sub-franchise, license, sublicense or subcontract any of your rights under this Agreement, except as otherwise specifically provided for herein.

(c) You do not have the right to Sell or Transfer this Agreement, your rights under this Agreement, or the Business, except as specifically provided for in this Agreement.

(d) Your non-exclusive personal right to use any of the Marks as the name of the Business and your rights to use the Marks and the Business System will exist only so long as you fully perform and comply with all of the conditions, terms and covenants of this Agreement.

(e) You have the right to use the Marks and the Business System only in the manner we prescribe, direct, and approve in writing, and you shall adopt and use all variations of the Marks we designate from time to time. If, in our judgment, your actions infringe upon or demean the goodwill, uniformity, quality or business standard associated with the Marks or the Business System, then you must, upon written notice from us, immediately modify your use of the Marks or the Business System in the manner we prescribe.

(f) You shall not make any changes or amendments whatsoever to the Marks or the Business System unless we approve those changes in writing.

ARTICLE 3.
TERM AND RE-FRANCHISE RIGHTS

3.1 **Term**. The term of this Agreement will be for 10 years (the "**Term**") and will begin on the date of this Agreement and end on the date that is 10 years from the date of this Agreement (the "**Expiration Date**").

3.2 **Your Option to Re-Franchise**. At the end of the Term, you will have the option to re-franchise the Business for one additional 10-year term, provided that you maintain possession of the Retail Location and have:

(a) given us written notice at least 210 days prior to the end of the Term of your intention to re-franchise the Business;

(b) complied with all of the terms and conditions of this Agreement and with our operating and quality standards throughout the Term;

(c) paid all monetary obligations you owe to us and to our Affiliates before the end of the Term, and have timely paid all those obligations throughout the Term;

(d) agreed in writing to make the reasonable capital expenditures necessary to replace and modernize the equipment, vehicles (to the extent not leased from us), and technology so that the Business conforms to our then-current Business System, and lease from us the vehicles for use in operating the re-franchised Business to the extent required at the time;

(e) signed the form of Franchise Agreement we are then offering to new stand-alone glass repair and replacement franchisees operating from a fixed location (the "**New Agreement**") and all other agreements that are required at that time in connection with the operation of a Novus franchise; and

(f) paid us a re-franchise fee of $4,000 (the "**Re-Franchise Fee**") (in lieu of a new Initial Fee).

(g) Provided that you meet all of the conditions set forth above in subsections 3.2(a) to 3.2(f), we will waive our Initial Fee or any new Initial Training Fee. If, at the same time you re-franchise one Novus franchise, you re-franchise other Novus franchises that you own, we will charge you one additional Re-Franchise Fee of $2,500 for all the additional franchises you re-

franchise at the same time. In any case, you must pay the Re-Franchise Fee at the time you sign the New Agreement. You will also be required to pay the Royalty Fees and all other fees at the rates specified in the New Agreement, and to pay all additional fees required by the terms of the New Agreement. You acknowledge that the terms, conditions, and economics of the New Agreement may vary in substance and form from the terms, conditions, and economics of this Agreement.

3.3 **Hold-Over Franchise**. If this Agreement expires and is not renewed for any reason, ARTICLE 17 will apply. You acknowledge and agree that if you continue to operate the Business after the Agreement expires without execution and delivery of a New Agreement or an extension of this Agreement, there is no tacit or other renewal of this Agreement, but if we continue to accept the payments provided for under this Agreement, you shall continue to operate the Business on a month to month basis, subject to the applicable terms and conditions of this Agreement, except that during such interim period before a New Agreement is signed, your Royalty Fees will increase by $200 per month. In such case, either you or we may terminate this Agreement one month following the end of the current one month term upon at least one month's prior written notice to the other party.

3.4 **Conversion**. At any time during the Term, you may convert your business from a Retail Location to a Mobile Business provided that you:

(a) give us written notice of your desire to convert your Business;

(b) have complied with all of the terms and conditions of this Agreement and with our operating and quality standards throughout the Term;

(c) have timely paid all monetary obligations you owe to us and to our Affiliates throughout the Term;

(d) if you have already begun operating from a Retail Location, close that location, and take all action as we may require to remove all identification from the location that indicates the site was formerly operated as a Novus® business;

(e) sign the form of Franchise Agreement we are then offering to new stand-alone Mobile Business franchisees; provided, however, that all provisions in that agreement calling for the payment of any Initial Fee or Initial Training Fee, and all provisions requiring us to provide pre-opening services, will be excised from that agreement. You will not, however, be entitled to any reduction or refund of any portion of any fees paid under this Agreement; and

(f) pay to us a $250 conversion fee.

ARTICLE 4.
LICENSING OF MARKS AND BUSINESS SYSTEM TO YOU

4.1 **Ownership of Marks**. We warrant to you that we have the right to: (a) use and license the Marks and the Business System in the United States; and (b) grant you the right to use the Marks and the Business System. Any and all improvements you make relating to the Marks or the Business System will be our sole and absolute property, and we will have the exclusive right to register and protect all such improvements in our name. Your use of the Marks and the Business System, and any goodwill arising from such use, will belong exclusively to us, and you will not be paid anything for those improvements. You shall not take any action to contest the validity of our ownership of, the Marks, the Business System, or the goodwill associated with the Marks or the Business System.

4.2 **Changes or Adverse Claims**. If we decide to change any of the Marks, or if there is any claim by any party that its rights to any or all of the Marks are superior to ours, or if there is a determination by a court that any party's rights to the Marks are superior to ours, then upon written notice from us, you shall immediately adopt and use the changes and amendments to the Marks that we specify. If so directed, you shall immediately cease using the former Mark, and shall, as soon as reasonably possible, begin using the new Marks or Marks we designate.

4.3 **Defense or Enforcement of Rights to Marks or Business System**. You will have no right to and will not defend or enforce any rights associated with the Marks or the Business System in any court or other proceedings for or against imitation, infringement, prior use or for any other claim or allegation. You must give us prompt and immediate written notice of any and all claims or complaints made against or associated with the Marks and the Business System and shall, without compensation for your time, cooperate in all respects with us in any lawsuits or other proceedings involving the Marks and the Business System. We will have the sole right to conduct any litigation involving the Marks and/or the Business System.

4.4 **Tender of Defense**. If you are named as a defendant or party in any action involving the Marks or the Business System solely because the plaintiff or claimant is alleging that you do not have the right to use the Marks or the Business System, then you may tender the defense of the action to us and we will, at our expense, defend you in the action, provided that you have notified us of the action, and sent us all notices and pleadings you receive concerning the action, within 10 days after you receive them. We will have no other liability to you for any Costs and Expenses that you incur in any litigation involving the Marks and the Business System.

4.5 **Your Right to Participate in Litigation**. Subject to Section 4.3, you may, at your expense and without any obligation on our part to reimburse you for any Costs and Expenses, retain an attorney to represent you individually in all litigation and court proceedings in which you are named as a defendant that involve the Marks or the Business System. However, we will control all litigation involving the Marks and the Business System.

ARTICLE 5.
FEES AND CHARGES

5.1 **Initial Fee**.

(a) *Initial Fee*. You shall pay us an initial fee (the "**Initial Fee**") of $10,500 in consideration for our signing this Agreement.

(b) *Subsequent Franchise*. If you are an existing franchisee operating a Novus franchise in good standing (including current on all fees payable to us, our affiliates, and vendors) and you are purchasing an additional Novus franchise under this Agreement, we shall discount the Initial Fee as follows:

(i) If the Territory will be a different territory than the territory in your current Novus franchise, then we will reduce the Initial Fee to $5,250; or

(ii) If the Territory is the same as the territory in your current Novus franchise, then we will waive the Initial Fee.

(c) *Military Service Discount*. If you are an active member of the United States military at the time you sign this Agreement, or have been honorably discharged from the United States

military, we will reduce the Initial Fee by $1,000. The Initial Fee for any additional franchises purchased by members of the United States military will be standard Initial Fee at the time you acquire an additional franchise, without any discount for military service.

(d) *Timing*. The Initial Fee will be due and payable when you sign this Agreement.

(e) *Non-Refundable*. The Initial Fee will be fully earned by us at the time you sign this Agreement and is not refundable.

5.2 **Initial Training Fee**. You must pay us a nonrefundable training fee of $14,000 (the "**Initial Training Fee**") for the Initial Training Program, the Initial Glass Repair Training and the Initial Glass Replacement Training (collectively the "**Required Training Programs**") as required under ARTICLE 9 of this Agreement.

5.3 **Equipment Packages**. When you sign this Agreement, you must lease the Initial Equipment Package from our Affiliate, and purchase the Accompanying Equipment Packages from us. You shall obtain, pay for and use in the Business, but not offer or sell, those Products and Services, including the Resins and Related Products and the Initial Equipment Package and Accompanying Equipment Packages, that we specify for use but not for sale in the Business, and at all times you shall maintain a minimum inventory of such Products and Services that we specify.

5.4 **Royalty Fees.**

(a) *Amount Payable*. You shall pay to us during the entire Term a non-refundable monthly royalty fee (the "**Royalty Fee**") equal to the greater of: (a) the Minimum Monthly Royalty Fees set forth below in subsection 5.4(b); or (b) 6% of your Gross Revenues from the sale of any and all Products and Services you sell in or from your Business.

(b) *Minimum Monthly Royalty Fees*. Beginning in the 4th month after you sign this Agreement, the minimum monthly royalty fee (the "**Minimum Monthly Royalty Fee**") you must pay us will be $350, which will increase beginning in the 7th month after you sign this Agreement to $500, and will continue at that amount throughout the remainder of the Term. However, if this Agreement is signed (i) as part of a re-franchising, (ii) in connection with the transfer of an existing franchise, or (iii) as part of a conversion of an existing glass business of another brand to the Novus® Business that will be operated under this Agreement, then beginning in the first month after you sign this Agreement, the Minimum Monthly Royalty Fee will be $500.

(c) *Actual Monthly Royalty Fee*. If the actual monthly Royalty Fees calculated under subsection 5.4(a) are greater than the Minimum Monthly Royalty Fee, then you must pay us the amount of the actual monthly Royalty Fee payable for the month. If the actual monthly Royalty Fees calculated under this subsection 5.4(a) is less than the Minimum Monthly Royalty Fee, then you must pay us the Minimum Monthly Royalty Fee as the Royalty Fee for that month.

5.5 **Timing of Royalty Payments**. All Royalty Fees will be paid in arrears. You shall pay the Minimum Monthly Royalty Fee on the 1st day of each month, and the balance of the Royalty Fee by the 10th day of each month with respect to Gross Revenues from the preceding month. Your failure to pay any of these monthly Royalty Fees to us on a timely basis will be a material breach of this Agreement. Your obligation to pay us the Royalty Fees is absolute and unconditional.

5.6 **Payment Procedures**. You agree and acknowledge that we have instituted an automatic bank transfer system to receive automatic payments of Royalties Fees and any or all payments required pursuant to this Agreement or the Manual. You agree to establish a bank account and to comply with all

procedures and to execute the authorizations set forth in the Authorizations for Automatic Bank Transfer documents set forth in Schedule "D" attached hereto and such other forms and authorizations as may be requested or required by us in connection with such automatic bank transfer system. You hereby agree to make all payments required hereunder, including but not limited to all Minimum Monthly Royalty Fees, by automatic bank transfer to the bank account designated by us for such purposes.

5.7 **Late Payment and NSF Charges**. If you fail to timely pay any Royalty Fees or other payments due to us, then we will assess a late payment fee of One Hundred Dollars ($100) for each month that such Payments are delinquent. In addition, a non-sufficient fund fee of One Hundred Dollars ($100) will be assessed for any uncollected automatic bank transfer which may result from insufficient or uncollected funds.

ARTICLE 6.
OPERATIONS MANUAL AND CONFIDENTIALITY

6.1 **Compliance with Operations Manual**. After you have completed the Initial Training Program, we will provide you with the Operations Manual and all supplements that we may publish from time to time or provide you access to a Secure Website containing the Operations Manual and supplements. In order to protect our reputation and goodwill, and to maintain uniform operating standards under the Marks and the Business System, you shall at all times operate the Business in compliance with our Operations Manual. Notwithstanding the foregoing, if we designate any standards in our Operations Manual as suggested provisions, or as otherwise not mandatory, you are not required to comply with those provisions. You acknowledge that the Operations Manual is designed to protect our standards and systems, and the Marks, and not for the purpose of controlling the day-to-day operation of the Business.

6.2 **Revisions to Operations Manual**. We reserve the right to revise the Operations Manual at any time. You shall conform the Business to all changes and modifications we make to the Operations Manual, including the addition of new Products and Services, within a reasonable time as we determine in our sole discretion. You shall at all times keep the Operations Manual current and up-to-date, and in the event of any dispute, the terms of the master copy of the Operations Manual we maintain, as amended from time to time, will be controlling in all respects. If we publish the Operations Manual on a Secure Website, then the Operations Manual as published will be the master copy and we will not be required to update any hard copy in your possession.

6.3 **Confidentiality**. You acknowledge that the Operations Manual, information regarding the Business System, and all other Confidential Information has been disclosed in the strictest of confidence to you and, accordingly, you shall not, during or after the Term, communicate, disclose, copy, duplicate, reproduce, reverse engineer or use for the benefit of, any person or entity any such Confidential Information, trade secrets, knowledge or know-how concerning the methods of operation which we communicate to you, or that relate to the operation of the Business, including any Confidential Information, trade secrets, knowledge or know-how published on a Secure Website. You will disclose such Confidential Information only to your employees who need such access to operate the Business and have signed a confidentiality agreement in our approved form. Any and all information, knowledge and know-how including drawings, products, processes, trade secrets, formulas, photographs and visual displays of products or processes, including video tapes, CD-ROM, digital recordings, and digitally stored materials, brochures, marketing materials, equipment, technology, methods, procedures, specifications, techniques, teaching methods, computer software programs, systems and other data that we copyright or designate as confidential or proprietary will be deemed confidential and proprietary for the purposes of this Agreement, including the reverse engineering of proprietary Novus® Resins and Related Products.

6.4 **Exclusive Property**. All materials, methods and systems relating to the Business System, including the Operations Manual, photographs and visual displays of products and processes, and all other Confidential Information of ours, and any and all future developments by you of such materials, are and will be our sole and exclusive property, and you hereby assign to us any and all future development by you of such materials, including all goodwill associated with such developments. All of the information we or our Affiliates obtain about the Business and all information in your records or ours concerning the customers of your Business, and all revenues we derive from this information, will also be our sole and exclusive property. You acknowledge that you have no rights in any of this property, except the right to use that property under this Agreement, and you may at any time during the Term use in the operation of your Business (but for no other purpose), to the extent lawful and at your sole risk and responsibility, any information that you acquire from third parties in operating your Business, such as customer data.

ARTICLE 7.
PRODUCTS AND SERVICES; SUPPLIERS

7.1 **Products and Services**. You acknowledge and agree that:

(a) you shall offer and sell all of the Products and Services we require to be sold as part of the Business System throughout the Term;

(b) you may offer and sell any of the optional Products and Services that we approve to be sold in the Business System;

(c) you shall not, under any circumstances, have the right to offer or sell any Products and Services that we do not authorize in writing or in our Operations Manual;

(d) we may add to or eliminate any of the Products and Services at any time upon notice to you, but if we eliminate any Products, we will give you a reasonable time to liquidate your inventory of those Products;

(e) you shall maintain sufficient inventories of all Products and Services necessary to realize the full economic potential of the Business and will maintain any minimum inventories of Products and Services we specify;

(f) you shall offer for sale those Products and Services we require or approve for sale only on a retail basis (to the end user) and only within your Territory; and

(g) we may require you to purchase certain Products and Services we specify only according to our standards and specifications for such Products and Services, including standards and specifications consisting of only a nationally recognized brand name or specific manufacturer. However, unless we tell you otherwise in this ARTICLE 7, you may purchase these Products and Services from any supplier or distributor. To the extent we do tell you that you cannot purchase certain Products and Services from any supplier, those Products and Services will be available exclusively from us or from our approved suppliers or distributors.

7.2 **Limitations on Sales**. You shall not sell any proprietary Products and Services, including Resins and Related Products, on a wholesale basis (for resale to another retailer or wholesaler) and shall not sell any Products and Services or other products and services under any of the Marks or the Business System: (a) on a retail basis at or from any other location; (b) by means of the Internet (other than from a website

we approve), catalogue sales, mail order sales or infomercials; or (c) by any other means or methods of sales or distribution.

7.3 **Pricing of Products and Services**. You have the right to sell the Products and Services to your customers at whatever prices and on whatever terms you determine.

7.4 **Use of Novus Resins**. You acknowledge that we have developed a unique, high quality line of windshield repair resins, equipment and other products to be used in performing windshield repair services ("**Resins and Related Products**"), and that we have developed certain national warranty programs relating to the quality of windshield repair services provided under the "Novus®" name. You further acknowledge that it is of paramount importance to maintaining the uniform high-quality image for windshield repair services associated by the public with the Marks and Business System that only Resins and Related Products be used by all businesses performing windshield repair services under the "Novus®" name. Therefore, in order to maintain and ensure the quality of the windshield repair services you provide to your customers under the "Novus®" name, and in order for us to allow you to participate in any warranty programs we offer, you shall use only the Resins and Related Products that we designate or approve in writing. You shall not resell any Resins and Related Products to any person or entity without our prior written consent. You hereby acknowledge that breach of this Section 7.4 will be considered a material breach of this Agreement and can result in termination as provided under subsection 15.1(e).

7.5 **Designated Suppliers**. You may only purchase Resins and Related Products from us or from our Designated Supplier. We may require, in our sole discretion, that you purchase certain other Products and Services we specify only from a Designated Supplier. We or our Affiliates may be a Designated Supplier, and the only Designated Supplier, for certain Products and Services. You shall not have the right to substitute any new supplier or distributor for any Designated Supplier or to require us to appoint or approve any new supplier or distributor as a Designated Supplier. We reserve the right to require any Designated Supplier to sign a contract containing terms and conditions acceptable to us, including those relating to pricing, delivery, terms, product availability, economic viability, service and quality and the right to modify at any time the terms or conditions of that contract. We may at any time add or remove a Designated Supplier or add, remove or modify in any manner any requirement that you purchase any given Products and Services only from a Designated Supplier.

7.6 **Approved Suppliers**. We may require, in our sole discretion, that you purchase certain Products and Services we specify only from Approved Suppliers. If you desire to purchase any Products and Services that we require you to purchase from Approved Suppliers from other suppliers and distributors, then you must, at your expense, submit to us samples and specifications, and other business and product information we request, for review and/or product testing to determine whether the supplier or distributor and its Products and Services meet our standards and specifications. We will have the right to inspect the facilities of the proposed supplier or distributor. Within 10 days after being invoiced, you will reimburse us for the costs and expenses we incur to: (a) analyze, review and test the products and/or services and the samples; and (b) conduct an inspection of the facilities of the proposed supplier or distributor, subject to a minimum fee we may set from time to time. We will complete all testing of all products and/or services, and notify you of our determination within 45 days after we receive all of the required information. We will have the right to require any new or existing Approved Supplier to sign a contract containing terms and conditions acceptable to us, including those relating to pricing, delivery, terms, product availability, economic viability, service and quality and the right to modify at any time the terms or conditions of that contract. We may at any time add or remove an Approved Supplier or add, remove or modify in any manner any requirement that you purchase any given Products and Services only from an Approved Supplier.

7.7 **Branding of Products**. Except as we approve in the Operations Manual or otherwise in writing, you shall not under any circumstances have the right to: (a) use or display the Marks on or in connection with any Product and Service; (b) acquire, develop, create, package or manufacture any product using the name "Novus®" or any of the Marks, or direct any other person or entity to do so; (c) acquire, develop or manufacture any product that has been developed or manufactured by or for us for use with the Business System and which is sold under any of the Marks, or direct any other person or entity to do so; or (d) use, have access to, or have any rights to any proprietary formulas or configurations for any Products and Services developed by us or on our behalf.

7.8 **Profit and Payments**. You acknowledge that we or our Affiliates may make a profit on purchases of Products and Services you make from us. You also acknowledge that we or our Affiliates may receive Payments based in whole or in part on purchases of Products and Services you make from a Designated Supplier, Approved Supplier or another third party. Any Payments we or our Affiliates receive from a Designated Supplier, Approved Supplier or other third party as a result of your purchases from any such supplier will be our property and you will not have any right to any portion of those payments.

7.9 **Purchases from Us, Designated Supplier or Approved Supplier**. We and our Affiliates will have the right to change the prices, delivery terms, payment terms, and other terms relating to the Products and Services sold to you without giving you prior notice, and discontinue the sale of any Products and Services for any reason without any liability to you. We and our Affiliates will not be liable to you for the unavailability of Products and Services from us or from a Designated Supplier or Approved Supplier, or for any delay in shipment or receipt of Products and Services from us, or from a Designated Supplier or Approved Supplier due to temporary product shortages, order backlogs, production difficulties, delays, unavailability of transportation, fire, strike, work stoppage, or other causes beyond the control of us or our Affiliates.

7.10 **National or Regional Accounts**. We will promote you for involvement with national or regional accounts with whom we have contacts, including insurance companies and fleet accounts that have business arrangements with us or our affiliates.

(a) If we offer you the opportunity to provide services to a national or regional insurance company, fleet account, or other account in your Territory, you must service the account and comply with all of our procedures for servicing the account. These procedures may include, among others, pricing policies that may set the price for services rendered to the account by agreement with the account. They may also include payment arrangements that result in the insurance network or account paying us directly, in which case we will remit your portion of the payment to you within thirty (30) days after our receipt of the payment, provided (i) you are current in all your financial obligations to us and to our affiliates, and (ii) you are current in all your financial obligations to all suppliers with which we have a relationship. If you are not current in any of these obligations, we will have the right, but not the obligation, to withhold an amount necessary to bring your obligations current, and we will then remit the balance, if any, to you.

(b) When we provide an account to you, you may be required to sign additional agreements relating to that account, including procedures for servicing that account and for receiving payments from that account, before you begin servicing the account. If you fail to service the account, or you do not meet any conditions imposed by the account for its service providers, or if the account expresses dissatisfaction with your services, then in addition to any other rights we may have under this Agreement, we have the right to assign the right to service that account in

your Territory to another Novus Business, including one owned by us or our Affiliates, or to other service providers.

7.11 **Sharing of Information**. In order to facilitate our ability to manage and improve the Business System, you agree that any supplier or similar provider to your Business may share with us information concerning the Business, at any time, at our request, including but not limited to copies of purchase orders, summaries of purchases and returns, and all correspondence, emails and other communications between you and the supplier. You specifically authorize all suppliers and service providers to provide us such information as we may request.

ARTICLE 8.
RETAIL LOCATION SITE SELECTION

8.1 **Site Selection**. If a site for the Retail Location has not been determined prior to the execution of this Agreement, or if that site becomes unavailable for any reason, we will consult with you, and provide our input, in connection with the selection of a site for the Retail Location. At your request, we will also assist you in negotiating your lease for the Retail Location. However, you are ultimately responsible for selecting a site for the Retail Location, for purchasing or leasing the real estate, and for constructing or remodeling the building premises for the Business.

(a) We reserve the right to approve or disapprove of a proposed location based on such factors as we deem appropriate, including the condition of the premises, demographics of the surrounding area, proximity to other Novus Businesses, lease requirements (if applicable) and overall suitability.

(b) You acknowledge that our review of any proposed site, the lease, and the plans and specifications for your Retail Location, and any information that we may provide in the selection or development of the site, is not a representation, warranty or guaranty by us that the Business will be economically successful or profitable if it is operated at that site, and you will assume all responsibility for the business and economic risks associated with the selection of the site.

8.2 **Failure to Locate Suitable Site**. If you fail to either purchase or lease a site for the Retail Location within 90 days from the date of this Agreement, then we will have the right to terminate this Agreement under the terms of ARTICLE 15; provided, however, that if you begin operating a mobile vehicle as permitted under Section 2.5(b) within 90 days from the date of this Agreement, then the 90-day period recited above will be extended by an additional 90 days. If, at that time, you have not purchased or leased a site for the Retail Location, then we will have the option, upon notice to you, to treat you as not having begun to operate the business and provide notice of termination under subsection 15.1(c), or to allow you to convert to a franchise for a Mobile Business. If we allow you the option to convert to a Mobile Business, then you must, within 30 days of our notice to you, sign our form of Franchise Agreement we are then offering to new stand-alone Mobile Business franchisees; provided, however, that all provisions in that agreement calling for the payment of any Initial Fee or Initial Training Fee, and all provisions requiring us to provide you pre-opening services, will be excised from that agreement. You will not, however, be entitled to any reduction or refund of any portion of any fees paid under this Agreement.

8.3 **Lease**. If your Retail Location is leased, then you are responsible for negotiating and obtaining a lease for a term that is consistent with the Term. We reserve the right to review and approve your lease, and may, without limitation, insist that the lease provide that it may be assigned to us, or our nominee, at our option, upon a transfer of this Agreement, or upon termination or expiration of this Agreement or the lease.

8.4 **Construction or Renovation**. You are responsible for constructing and renovating the Retail Location. You are also responsible for complying with all local, state and federal laws, ordinances, statutes and building codes, and for acquiring all licenses, building permits and other permits required by all federal, state, city, municipal and local laws in connection with the operation, construction or renovation of the Retail Location. You must pay all costs and expenses incurred for any construction or remodeling of the Retail Location and premises.

8.5 **Our Option to View Retail Location**. You will submit plans and specifications for the Retail Location to us for our review before beginning construction or remodeling. We may, at our expense, view the Retail Location during construction or renovation at such times as we deem necessary for the purpose of determining the progress of construction or renovation and to determine whether the interior and exterior of the premises have the physical appearance generally associated with the Marks and Business System. Our review of your plans and specifications, and our viewing of the Retail Location during construction or renovation will not be for the purposes of determining that the Retail Location is being constructed or renovated: (a) according to the plans and specifications; (b) in compliance with applicable laws or ordinances; or (c) in a quality manner. We will have no responsibility or liability to you or to any other party if the Retail Location is not constructed or renovated according to the plans and specifications, in compliance with applicable federal, state or local laws or ordinances, or in a workmanlike manner.

8.6 **Relocation**. You may, with our prior written approval, relocate the Retail Location to another location within the Territory during the Term, provided that the proposed new location is not within two miles of any stand-alone (as opposed to approved Affiliate) "Novus®" business that is managed, owned, or operated by us or by any franchisee of ours. However, the "new" location, including the building and premises, must comply with all applicable provisions of this Agreement and with our then-current specifications. Relocation of the Retail Location under this provision will not change or alter the Territory.

8.7 **Catastrophes**. If the Retail Location is damaged or destroyed by fire or other casualty, then you will, within 30 days after the damage or destruction, initiate the repairs and reconstruction necessary to restore and reopen the premises.

ARTICLE 9.
TRAINING

9.1 **Initial Training**. We will provide an initial training program (the "**Initial Training Program**") for you and one employee you designate (provided your employee takes the training at the same time you do). The Initial Training program will be held at a Novus regional training center in St. Paul, Minnesota, or at another location we designate. The Initial Training Program will include classroom and/or hands-on instruction in basic business operations, understanding the automotive industry, accounting and bookkeeping procedures, reporting requirements, business planning and goal setting, selling and marketing techniques, customer service, quality control, equipment operation and maintenance, conducting sales calls and presentations, and other business, financial and marketing topics we select. If you are not serving as the full-time manager of the Business, the Business must at all times be under the supervision of a full-time manager who has completed the Initial Training Program.

9.2 **Initial Glass Repair Training**. We will provide initial Glass Repair training (the "**Initial Glass Repair Training**") for you and one employee you designate (provided your employee takes the training at the same time you do). The Initial Glass Repair Training will be held in St. Paul, Minnesota, or at another location we designate. It will include classroom and on the job training in Glass Repair, including varieties and types of windshield damage, repair capabilities, the "Novus®" system for Glass

Repairs and related services. The Initial Glass Repair Training will last between five and one-half and eight days.

9.3 **Initial Glass Replacement Training**.

(a) We will provide initial Glass Replacement training (the "Initial Glass Replacement Training") for you and one employee you designate (provided your employee takes the training at the same time you do). The Initial Glass Replacement Training will be held at a Novus regional training center. The Initial Glass Replacement Training will include hands-on instruction in glass replacement, understanding the automotive glass replacement industry, quality control, equipment operation and maintenance, and other topics we select.

(b) You hereby acknowledge that you will not become an expert in glass replacement over the course of the Initial Glass Replacement Training program, but will be taught basic techniques and methods and will be provided with criteria for hiring experienced glass replacement installers. The purpose of the Initial Glass Replacement Training is to teach the fundamentals of glass replacement and the glass replacement business. We recommend that you initially hire an experienced glass replacement installer.

(c) The Initial Glass Replacement Training must be completed within 60 days after the Initial Glass Repair Training; provided, however, that if for any reason this training has not been completed within this time period, then you must pay an additional $500 training fee for this Training. The Initial Glass Replacement Training will be for a minimum of two consecutive weeks.

(d) If the principal owner/operator of the Business is an experienced Auto Glass Safety Council ("**AGSC**") certified master auto glass technician who passes our Glass Replacement Test, we will waive the requirement for the Initial Glass Replacement Training, and issue you the AGSC Credit. We will offer the Glass Replacement Test at the Retail Location, so long as you provide the vehicle and glass for the test, and you pay our out-of-pocket costs for travel and living expenses in connection with the provision of this training, or you can take it at our offices. If you are not eligible for the AGSC Credit but you have a full-time employee on staff at the time of the opening of the Business who is an experienced AGSC certified master auto glass technician who passes our Glass Replacement Test, we will postpone the training obligation, and if that person remains on staff for one year, we will waive the obligation to attend Glass Replacement Training and issue you the AGSC Credit.

9.4 **Successful Completion of Required Training**. You and your managers, and any other of your employees that we designate must attend and successfully complete the Initial Training Program and the Initial Glass Repair Training within 60 days of the date of this Agreement and before you open the Business or we will have the right to terminate this Agreement under the terms of Section 15.1.

9.5 **Onsite Training**. If this is your first stand-alone Franchise Agreement for a Retail Location, within two months following the opening of your Retail Location, we will send a member of our training staff to the Territory to provide approximately one week of in-the-field training to you. We will, in our sole discretion, determine the manner in which this training will be provided, and it may not be provided in consecutive weeks.

9.6 **Annual Programs**. You must attend all national, regional and state meetings we hold. Whether or not you attend any of these programs, you must pay our then-current fee for attendance at one such program each year.

9.7 **Additional Training**. You and your appropriate employees must attend and successfully complete all additional Glass Repair and Glass Replacement and other technical training we require to: (a) improve the quality and standards of Products and Services offered in connection with the Business System; (b) improve the operation of the Business; or (c) maintain the product and service consistency we require. We may also offer optional training programs. You will pay us our then-current training fee for each employee who attends our additional training programs. In addition, you will register with and complete all training and other requirements (including payment of annual fees) to obtain registration from the AGSC indicating that you meet AGSC Standards within 6 months of the registration eligibility, and provide us a copy of the registration within 10 days of your receipt of the certification, and within 10 days of any subsequent request on our part. You will maintain that registration throughout the Term. If you are subject to validation or audit by AGSC, you will provide us with the results of the audit within 10 days after your receipt of those results, and will promptly correct any deficiencies shown in the audit.

9.8 **Payment of Salaries and Expenses, Release of Claims**. You will pay the salaries and travel expenses for yourself and all your employees who attend any required training program. You, for yourself and for all employees who attend the Required Training Programs and any additional training programs we conduct, hereby release and agree to hold us and our officers and directors harmless from and against any and all claims, liability, damages, or causes of action of any nature arising from the participation and attendance by you or any employee of yours in any of the training programs we approve, conduct, or require.

ARTICLE 10.
OPENING ASSISTANCE AND ADVERTISING

10.1 **Opening Assistance**. After you and your employees have successfully completed all required training, we will, if this is your first Franchise Agreement with us, make a representative of ours available to you in the Territory for up to five days to assist you in training your employees, implementing the Business System and evaluating initial business operations. In addition, after you complete your training (or if this is your second or subsequent Franchise Agreement with us then from the date of this Agreement), we will make a representative of ours available to you, by telephone, for 60 days to assist you in implementing the Business System.

10.2 **Initial Marketing and Advertising**. We will provide to you, and you must purchase from us, at the time you sign this Agreement, an Initial Marketing Start-Up Package to assist you in identifying prospective customers and lead referral sources for your business, and in conducting an initial advertising and promotional campaign for the Business.

(a) *Designated Digital Marketing Spend*. You must spend a minimum of Five Hundred Dollars ($500) per month in media placements with our designated digital marketing supplier (the "**Designated Digital Marketing Spend**"). For the first six (6) months of the Term, we will cover the Designated Digital Marketing Spend, however, after the first six (6) months of the Term, you will be fully responsible for the Designated Digital Marketing Spend, and such Designated Digital Marketing Spend will be accounted towards your 4% local advertising obligation under Section 10.3.

10.3 **Local Advertising Obligation**. You will spend at least 4% of your Gross Revenues each calendar quarter for local advertising and to promote the Business in the Territory, and promotional programs we approve. In January of each year, you must provide us with information in a form we request showing the expenditures you made in the previous year on these advertising and promotional and search engine optimization programs. If you did not spend the entire amount we required you to spend in that year, you must submit the difference to us (the "**Local Advertising Fee**"), with your report, and we

will add the Local Advertising Fee to our Marketing Fund (discussed in Section 10.5 below). You must receive our prior written approval before placing any advertising, marketing, public relations, telemarketing and promotional materials making use of the Marks. Any advertising or promotional materials we provide to you will be deemed approved. If more than one Novus Glass franchisee or licensee is authorized by us to operate in a particular market we designate that includes all or a portion of the Territory, then we will have the right to require you to become a member of, participate in and contribute to a local cooperative advertising group for that market. The local advertising group will, by the majority vote of its members, determine and carry out approved local advertising and promotion for the benefit of all of the franchisees in the market, and will allocate the costs of local advertising and promotion among the members. Any amounts you contribute to the local advertising group will be accounted towards your 4% local advertising obligation under this Section 10.3. You will not permit any third party to advertise its business, or its products and services, in conjunction with the Business, without obtaining our prior written approval.

10.4 **Telephone and Telephone Directory Listing**. We may require you to obtain local telephone service from us or from a supplier we designate. You acknowledge and agree that we will own the telephone number for the Business. You will continually advertise the Business in the on-line and print Yellow Pages in the Territory under all of the listings we designate or approve. The timing, size, form, content, layout, copy and presentation of all Yellow Pages advertising will conform to our specifications. You will participate in the on-line and print Yellow Pages advertising programs and in such other directory advertising programs as we may specify from time to time. You will pay all costs for Yellow Pages and other directory advertising. If more than one franchisee is authorized to operate within a particular market we designate that is covered by a single directory, then you will, upon written notice from us, participate in a single cooperative advertisement and prepay your proportionate share of the placement of such cooperative advertisement. All Yellow Page advertising done in accordance with this ARTICLE 10 will qualify as part of the 4% local advertising obligation set forth in Section 10.3.

10.5 **Marketing Contributions and Expenditures**.

(a) You shall pay to us during the entire Term a non-refundable monthly marketing contribution (the "Marketing Contribution") equal to 2% of your Gross Revenues from the sale of any and all Products and Services you sell in or from your business. You shall pay the Marketing Contribution by the 10th day of each month based on Gross Revenues from the preceding month. Your failure to pay us any of these Marketing Contributions on a timely basis will be a material breach of this Agreement. Your obligation to pay us the Marketing Contribution is absolute and unconditional.

(b) We will determine how, where, and when the Marketing Contributions will be spent, including purchasing and paying for product research and development, sales and marketing materials, advertising materials, ad slicks, brochures, and radio and television commercials, services provided by advertising agencies, market research, media time and space advertising (including Internet, radio, television, newspaper, magazine and other print advertising), promotions, development and protection of our Marks, marketing, public relations, telemarketing, the establishment and maintenance of Internet sites promoting our brand, including Social Media sites, sales persons or agencies to represent franchisees, the cost of providing toll-free and other telephone services for the benefit of our franchisees, Administrative Expenses in connection with the Marketing Fund, and other national, regional and local advertising and promotion that we deem appropriate. We will have the absolute right to use the Marketing Fund for advertising, marketing and promoting Glass Replacement services, Glass Repair services, and/or other Products and Services, in any manner or way that we choose, even if you do not offer some of the advertised Products and Services in the Business. We will have no obligation to spend any

portion of the Marketing Fund in your Territory. If you request, we will provide you with a report of the Marketing Fund within 120 days after the end of each calendar year.

ARTICLE 11.
QUALITY CONTROL, UNIFORMITY AND STANDARDS

11.1 **Responsibility for Operation of the Business**. The Business will at all times be under the direct supervision of you and your managers. We will have no right or obligation to operate the Business.

11.2 **Business System**. Consistent with our uniformity requirements and quality standards, we or our authorized representative will:

(a) provide you with a written schedule of all supplies, technology and equipment we think is necessary for the operation of the Business;

(b) recommend basic business and accounting procedures for the Business;

(c) periodically review the Business and render written reports to you as we deem appropriate;

(d) legally protect and enforce the Marks and the Business System for the benefit of all our franchisees and licensees in the manner we deem appropriate; and

(e) upon your reasonable request, render advisory services by telephone or in writing pertaining to the Business System and the operation of the Business as we deem appropriate, reasonable and necessary.

11.3 **Standards of Quality and Service**. We will from time to time publish uniform standards of quality and service for the Business System to protect and maintain (for our benefit and for the benefit of all "Novus®" franchisees) the distinction, goodwill and uniformity represented and symbolized by the Marks and the Business System. You agree to comply with all such standards, which will include replacement of graphics, signage and equipment as necessary to comply with our then current standards.

11.4 **Compliance**. You shall operate the Business and use the Marks and the Business System in compliance with the moral and ethical standards, quality standards, operating procedures, policies, specifications, requirements and instructions we set forth in the Operations Manual, as amended and supplemented from time to time, except as otherwise provided in Section 6.1 of this Agreement. You shall conform to all customer service standards and policies we specify. If we determine that you are not in compliance with our standards, we have the right to send a business coach to your market to assist you in bringing the Business up to our standards. If we send a coach to you, or if you request such assistance and we agree to provide it, you must pay us our then current charge for this service, plus our travel expenses.

11.5 **Identification of Business**. You shall operate the Business so that it is clearly identified and advertised under the Marks we specify. The style and form of the word "Novus®" and the Marks you use in your advertising, marketing, public relations, telemarketing, or promotional programs or campaigns, including but not limited to any Internet website, or Social Media Site, must be consistent with the quality and general overall advertising and promotional campaigns being utilized in conjunction with the Marks and must comply with our specifications as set forth in the Operations Manual or otherwise. Further, you agree that you shall:

(a) use the name "Novus®", the Marks, the approved logo and all graphics commonly associated with the Business System on all advertising, public relations and promotional materials, including but not limited to the Home Page or any Social Media Site, signage, vehicles, checks, stationery, paper supplies, business cards and other materials in the identical combination and manner we specify;

(b) purchase from us, at the time you sign this Agreement, an Initial Franchise Identification Package;

(c) not use or advertise any name or mark other than the Marks, and your individual or corporate name, on any vehicles or materials you use in the Business, and not use all or part of the "Novus®" name, any of the other Marks, or any similar name, word or symbol or variant thereof, in a domain name, account name, profile or URL, except as specifically approved by us;

(d) you shall only advertise and promote the Business in a manner that will reflect favorably on us, the Business System, the Marks, the Products and Services, and the good name, goodwill and reputation thereof, and in a manner intended to develop customer confidence in the Franchisee;

(e) you shall at all times use then-current Marks, and any other identifying names and marks which we instruct you to so use; and

(f) at your expense, comply with all trademark, trade name, service mark, copyright, patent and other registration notices and notice markings that we require or that are required by applicable law.

If you fail to comply with any of our brand identity standards, and do not correct your noncompliance within 10 days after notice, then in addition to any other rights we may have, we may charge you a branding non-compliance fee, of up to $500 per month, until you comply.

11.6 **Legal Entity**. If you are an entity, you represent and warrant that you were duly formed and are in good standing under applicable laws. You may not include "Novus®" or the Marks or any words confusingly similar as part of your legal name nor use "Novus®" or the Marks to secure any domain name with our prior written consent. Additionally, you agree that you may not use nor post "Novus®" or the Marks, nor any derivatives thereof on any webpage, Social Media site, blog or other publication without our prior written approval.

11.7 **Signage**. You shall purchase, install and display at the Retail Location and on your vehicles (to the extent not leased from us), at your expense, all such interior and exterior signs, posters, displays, decals, point of sale materials, and similar items as we may prescribe from time to time (and not others without our prior written consent) and will maintain same in a state of good repair and maintenance. You must erect the building signage for the Business within 60 days of the date of this Agreement or within 15 days of the date you acquire possession of the Retail Location, whichever is later, but in any event, before you begin operating the Business. If you fail to install the required signage in the month you begin operating your business, you must pay us an additional branding non-compliance fee of $500 per month on the first day of each subsequent month, until the signage has been installed. You agree not alter or redesign the signage without our prior written approval.

11.8 **Maintenance and Cleanliness**. You shall, at your expense, maintain the premises of the Retail Location, the vehicles, and the equipment and technology used in the Business in a high degree of cleanliness, tidiness, repair, safety and condition, and make all additions, alterations, repairs and

replacements as may be reasonably required for that purpose or as may be required by us. The Products and Services, Retail Location and vehicles (including all graphics on the vehicles), equipment, technology, supplies and other items you use in the Business must conform to the quality standards, specifications and uniformity requirements we establish from time to time.

11.9 **Participation in Warranty Programs**. You shall offer to the customers of the Business, and participate in, all product and service warranty programs we establish. You shall also participate in the "warranty reciprocity program" and shall accept and abide by all requirements and limits on warranty compensation we establish. You shall reimburse any other franchised or company-owned Novus business that satisfies any warranty or guaranty on work performed by you for the cost of all replacement parts and the labor charges we establish from time to time. You shall submit to us written claims for warranty work you perform that result from Products and Services provided by other franchised or company-owned businesses. We will use reasonable efforts to timely notify you if you will not be reimbursed for providing warranty work.

11.10 **[INTENTIONALLY OMITTED]**

11.11 **Customer Records**. In order to comply with applicable federal and state laws, including any glass or other product recalls required by law, and to properly process warranty claims for customers who have purchased products and services from you or from other franchisees, you shall maintain complete and accurate records of all sales and service for all products and services sold to your customers. You shall, upon written request from us, provide us with: (a) the name, address, city, state, zip code and telephone number for each of your customers, together with a complete description of the products and services purchased by the customer, including, if applicable, brand and model numbers; (b) all warranty cards received from your customers; (c) any other customer information we require to comply with applicable laws or to provide required product or service information; and (d) all other reports we require, including accurate records for all customer service and repair calls made by you for any Products and Services.

11.12 **Our Right to Review**. We or our representatives will have the right at all times to inspect: (a) the Retail Location; (b) your vehicles; and (c) your inventory. We also have the right to review your business records (including your network records) and to examine your operating practices to determine whether they meet our quality and service standards and to confirm your compliance with this Agreement. You authorize all third parties that maintain any of your business records to give us access to them for the purposes set forth in the preceding sentence. We have the right to take photographs, and make video, digital and/or audio recordings during any inspection we make. We also may interview and otherwise communicate with customers of the Business. We expect you and your staff to co-operate fully with such inspection. You are responsible for obtaining any consent(s) required in carrying out the obligations of this Section 11.12.

11.13 **Remodeling of Retail Location**. You must periodically make reasonable capital expenditures necessary to remodel, modernize and redecorate the Retail Location, and to replace and modernize your furniture, fixtures, signage, supplies and equipment so that the Retail Location will reflect the then-common image we want portrayed by businesses operating under the Marks (hereinafter referred to as "**remodeling**"). All remodeling of the Retail Location must be done in accordance with our standards and specifications and with our prior written approval. You must begin remodeling the Retail Location within three months after you receive written notice from us specifying the required remodeling, and you will diligently complete the remodeling within a reasonable time. Except as provided under Section 11.8, we will not require you to remodel the Retail Location, or to replace or modernize your furniture, fixtures, supplies and equipment, more than once every five years.

11.14 **Compliance with Applicable Laws**. You shall, at your expense, comply with all Applicable Laws. You shall, at your expense, be responsible for determining all drivers and other licenses and permits required by Applicable Law for the Business and for your employees, for obtaining all licenses and permits, and for complying with all Applicable Laws.

11.15 **Payment of Taxes and Other Obligations**. You shall be responsible for the prompt filing and payment of all Taxes. You shall timely pay all of your liquidated obligations and liabilities due and payable to us, and to your suppliers, lessors and other creditors, including obligations to pay suppliers for Products and Services.

11.16 **Reimbursement of Our Taxes**. We will pay our own corporate income and other taxes. However, if any "franchise" or other tax that is based on the Gross Revenues, receipts, sales, business activities or operation of the Business ("**franchise tax**") is imposed upon us by any taxing authority (including any sales, income or related tax imposed upon us by the state in which the Business is located as a result of any royalties or other fees you pay to us), then you will, upon receiving written notice, reimburse us in an amount equal to the amount of the tax and related costs imposed on us.

11.17 **Uniforms**. You and your employees will wear the uniforms and standard attire we specify, and maintain those uniforms in a clean condition. You will assure that all employees practice good personal hygiene.

11.18 **Business Hours**. The Business will be open for business (at a minimum) from 8:00 a.m. to 5:00 p.m. Monday through Friday, or during such other minimum business hours we specify.

11.19 **Employees**. You are responsible for recruiting, hiring and training all persons employed to operate the Business. It is your responsibility to determine who you hire, how much to compensate them, the terms of their employment and working conditions, when and how to discipline those individuals, and when and how to terminate their employment. It is also your obligation to supervise these people, to set their work schedules, and to maintain their employment records, and to perform all administrative functions for the Business related to the employment of your personnel. You will inform your employees that they are your employees and not our employees or agents. We will have no right to direct your employees.

11.20 **Operation of Business by Trained Personnel.** When you or your Manager are not on duty, you will have at least one employee on duty that has successfully completed the Required Training Programs necessary to be certified by us as "Factory Trained." At least half of your employees must at all times have successfully completed the training required to be certified by us as "**Factory Trained**." You will at all times have at least one full-time employee (who may be the Franchisee if the Franchisee is an individual) who has successfully completed all the Required Training Programs. You will at all times have a sufficient number of adequately trained and competent personnel on duty to guarantee efficient service to your customers and clients to comply with our customer service standards.

11.21 **Security Interest**. To secure the payment of the fees and your obligations set forth herein, you grant us security interest in the receivables, inventory, equipment, and other assets of the Business, whether now existing or hereinafter created, together with all proceeds of such assets. You authorize us to file one or more financing statements to evidence this security interest. This Agreement and the franchise granted to you under this Agreement may not be the subject of a security interest, lien, levy, attachment or execution by your creditors or any financial institution, except with our prior written approval.

11.22 **Notices of Default, Lawsuits or Other Claims**. You shall immediately deliver to us a copy of any notice of default you receive from any mortgagee, trustee under any deed of trust, contract for deed holder, lessor or any other party related to the Business and copies of all lawsuits, consumer claims, employee claims, federal or state administrative proceedings or investigations, and other claims, actions or proceedings relating to the Business. You will provide us all additional information we request regarding any of those matters.

11.23 **Office Equipment, Computer Hardware and Software**. You must purchase a laptop computer and printer for use in your Business. We will install the necessary software and set up the computer for you. You may not use this computer or printer for any purpose other than to operate the Business. You must also obtain and maintain during the Term such office equipment and software as we may from time to time require you to use in operating the Business, including: (a) photocopy equipment; (b) a point of sale and accounting software package to perform customer and inventory management, data processing, and accounting functions; and (c) the computer software necessary to provide the Products and Services we specify. You will, upon written notice from us, upgrade all computer equipment and all point of sale and accounting software used in the Business to the standards and specifications we specify. All office equipment and software must meet our standards and specifications.

11.24 **Telephone Equipment**. In addition to standard telephone equipment, you must obtain and maintain during the Term such wireless communication devices as we may from time to time require you to use in the Business, which must meet the standards and specifications we specify. During the minimum business hours we specify, incoming telephone calls received by the Business must either be answered live by you or an employee, or by a telephone service that is answered by a person who is properly trained to schedule jobs and appointments and take messages for the Business.

11.25 **Internet and E-Mail**. You must have high speed internet access at all times during the Term. We will provide one e-mail address to you for you to use in the operation of the Business, at no additional charge. You must use this e-mail address in the operation of the Business, and you may not separately establish any other e-mail addresses for the Business. If, however, you do want additional e-mail addresses, we will provide them to you at an additional cost of $25 each, or such other then current amount that we may charge our franchisees. Except as set forth in the Operations Manual, you shall not use the word "Novus®" or any of the other Marks as any part of your e-mail address. You must review your e-mail at least once during every business day and use reasonable efforts to respond to all e-mails from our employees and executives within 24 hours during business days and within 36 hours during weekends and holidays.

11.26 **Home Page and Social Media**. We will establish a Home Page for the Business on a Novus Glass® website we designate. At our discretion, we may require you to pay us an ongoing monthly maintenance fee to maintain the Home Page. You shall comply with the standards and procedures developed by us for the Business System, in the manner we direct in the Manual or otherwise, with regard to your authorization to use, and use of, blogs, common social networks (such as Facebook® or Instagram®), professional networks (such as Linked-In®), live blogging tools (such as Twitter®), virtual worlds, file, audio and video sharing sites and other similar social networking media or tools (together, "**Social Media**") that in any way references the Marks or involves the Business System or the Business. You must notify us by email to our designated email account of any negative reviews or feedback related to the Business on any Social Media site upon 48 hours of discovery. You also acknowledge that we may impose prohibitions from time to time on your posting or blogging on Social Media of comments about us, the Marks, the Business System or the Business .

11.27 **Referral and Marketing Programs**. From time to time, we may prescribe glass repair and/or glass replacement referral or marketing programs to you, whether Internet based or otherwise, including

networks and services operated by our affiliates that refer claims to our franchisees and other independent-owned glass businesses, and we may require that you participate in these programs (and sign all agreements and pay all fees associated with such participation), and you agree to do so.

11.28 **Intentionally omitted.**

11.29 **Competitive Market Data.** You agree to participate in any industry surveys, customer surveys, customer experience reports or compilations of competitive market data that we may require in our sole discretion at your expense.

11.30 **Entity Requirements Regarding Formation Documents**. If you operate as an entity, you must, at our request, provide us a copy of your Articles of Incorporation, Articles of Organization or other documents required by state law to form your entity.

11.31 **Subcontracting**. You may subcontract Glass Replacement services only (not Glass Repair services) if you have obtained our prior written approval, which will be granted in our sole and absolute discretion, and which approval may be withdrawn at any time upon 10 days written notice to you. You must obtain our approval for each and every subcontractor to whom you wish to subcontract Glass Replacement services. If you do subcontract any Glass Replacement services, by doing so you agree that any and all subcontracting will be conducted only pursuant to the terms of this Agreement and will be subject to any and all rules and requirements regarding subcontracting that we establish from time to time, including but not limited to rules and regulations contained in our Operations Manual. In addition, you agree that you will be solely responsible for all invoicing and collection of payments related to any subcontracting of services, and you will continue to be directly responsible to us for all amounts under this Agreement as if you had performed such Glass Replacement services yourself. You must have obtained from all approved subcontractors adequate proof of worker's compensation insurance coverage in accordance with the statutory requirements of the state in which you are domiciled and in which the services are performed. If at any time you subcontract Glass Replacement services for which you have not obtained our prior approval (or any Glass Repair services), it will be considered a breach of a material provision of this Agreement, and we will have the right to terminate this Agreement in accordance with Section 15.1(d).

11.32 **Photographs and Recordings of Your Business**. We have the right, at any time, to photograph, and make video and other recordings of any aspect of the Business, including the Retail Location, and associated vehicles and signage, and to use such photographs, videos and other recordings in any advertising and promotional material, in any form or medium now existing or later developed. We may use these items without providing notice to you or receiving your consent, and we will not be obligated to make attribution or to compensate you for their use. At our request, you will cooperate with us in taking and arranging for such photographs, videos and other recordings, and for obtaining the necessary consents of or assignments from individuals depicted in or involved in such photographs, videos and other recordings. You irrevocably assign to us all of your right, title, and interest, if any, in and to all such photographs, videos and other recordings, together with all related intellectual property rights.

11.33 **Personal Guaranty**. If you are an entity, all persons with a direct or indirect Ownership Interest in you that we designate (collectively, the "**Personal Guarantors**") must sign the Personal Guaranty attached as Schedule "C" to this Agreement.

ARTICLE 12.
INSURANCE

12.1 **General Liability Insurance**. You must purchase and maintain general liability insurance with coverage of at least $5,000,000 insuring you and your officers, directors, agents and employees, from and against any and all loss, liability, damage, claim and expense of any kind whatsoever, including bodily injury, personal injury, death, property damage, products liability and all other damages resulting from: (a) the condition, operation, use, business or occupancy of the Business or the Retail Location and (b) the operation of any customer's vehicle by any of your employees.

12.2 **Garage Keepers Liability Insurance**. You must purchase and maintain garage keepers insurance with coverage of at least the amounts set forth below insuring you and your officers, directors, agents and employees, from and against any and all loss, liability, damage, claim and expense of any kind whatsoever, including personal injury, death, property damage, fire and theft caused to any customer's vehicle in your care, custody and control as a result of fire, explosion, theft, vandalism, riot and civil commotion, and collision. The garage keepers insurance coverage must be written on a direct primary basis and be at least the greater of: (i) the full value of the vehicle under your care, custody and control; or (ii) the maximum value of the type of vehicles that you usually service.

12.3 **Vehicle Insurance**. You must purchase and maintain from our designated insurance provider the following minimum levels of insurance coverage for each vehicle you lease from us: (i) comprehensive fire and theft coverage with a maximum deductible of $1,000, (ii) collision coverage with a maximum deductible of $1,000, (iii) automobile liability insurance with minimum limits for bodily injury or death of $2,000,000 for any one person and $2,000,000 for any one accident and $100,000 for property damage, or $2,000,000 combined single limit, insuring you and your officers, directors, agents and employees, from any and all loss, liability, damage, claim and expense of any kind whatsoever resulting from the use, operation or maintenance of the vehicle, (iv) GAP insurance of at least the minimum amount we specify, and (v) any other minimum insurance we specify. If offered, you will also have adequate uninsured motorist insurance coverage. To the extent you are not required to lease the vehicles you use in the operation of the Business from us, or for any other automobiles or vehicles owned or used by you or any of your employees (including automobiles owned or leased by any of your employees) in connection with the Business and not leased from us, you must purchase and maintain vehicle/automobile insurance coverage that meets the foregoing minimum requirements.

12.4 **Property Insurance, Fire and Extended Coverage**. You must purchase and maintain "all risks" property insurance coverage, which must include fire and extended coverage, vandalism and malicious mischief coverage, and garage keepers' coverage for the Retail Location, inventory, machinery and equipment you own or lease for the Business, including flood, quake, sewer-backup and boiler and machinery coverage. Your property insurance policy (including fire and extended coverage) must have coverage limits of at least "replacement" cost.

12.5 **Umbrella Liability Coverage**. You must purchase and maintain umbrella liability insurance in the minimum amount of $1,000,000 that will provide additional liability insurance coverage for any liability incurred by you in excess of the primary liability insurance coverage you carry under your general liability insurance, vehicle liability insurance and employer's liability insurance policies.

12.6 **Worker's Compensation Insurance**. You must purchase and maintain worker's compensation insurance covering your employees who are injured in the course of employment, as well as employers liability insurance having primary limits of $500,000 covering bodily injury by disease per employee, $1,000,000 covering bodily injury by disease in aggregate, and $500,000 covering bodily injury by accident.

12.7 **Environmental Liability Insurance**. You must purchase and maintain environmental liability insurance in an amount no less than $1,000,000 per claim and in the annual aggregate covering you for garage operation and premises exploitation and activities under this Agreement. This insurance shall cover pollution conditions resulting from the Services furnished by you during the policy period that result in bodily injury, property damage or which necessitate clean-up or remediation or rehabilitation of property.

12.8 **Other Insurance**. The insurance coverage set forth in this Article only describes the minimum insurance we require you to obtain. It is your obligation to determine whether you need to carry other insurance, or higher levels of insurance either by law or because of the nature of your business or any contract you have signed. We also have the right to require you to obtain additional insurance coverage.

12.9 **Our Rights**. All insurance policies we require you to obtain must name us as an additional named insured, and provide that we will receive copies of all notices of changes in these policies, or cancellation, nonrenewal, or coverage reduction or elimination, at least 30 days before any cancellation, nonrenewal or change takes effect. Before operating the Business, and immediately after changing any insurance coverage, you must provide us with certificates of insurance confirming you have obtained all the insurance coverage we require. If you fail to maintain the insurance coverage we require, or fail to timely provide us evidence of this coverage, we have the right, but not the obligation, to obtain the required insurance coverage. You will promptly sign all applications and other documents required to obtain the required insurance, and will, upon receipt of an invoice, immediately reimburse us for the cost of obtaining the required insurance. All policies shall indemnify and hold harmless us and contain a waiver of subrogation clause, cross liability, severability of interest and be primary and non-contributory.

ARTICLE 13.
FINANCIAL STATEMENTS AND REPORTING

13.1 **Financial Statements**. You must give us semi-annual and annual Financial Statements for the Business within 90 days after: (a) the end of each semi-annual period; and (b) your fiscal year-end. All Financial Statements you provide to us must be prepared using a chart of accounts and format we specify.

13.2 **Verification of Financial Statements**. If your annual or semi-annual Financial Statements are not prepared by an independent certified public accountant, then you (if you do not operate as an entity), or your senior executive officer, must certify the accuracy and completeness of the financial statements.

13.3 **Gross Revenues Report**. You must maintain an accurate written record of the daily Gross Revenues for the Business. By the 10th day of each month, you must give us a signed statement of the Gross Revenues generated by the Business (the "**Gross Revenues Report**") in the preceding month, using the forms we specify. At our request and at your sole cost and expense, you agree to swear to the truth of such Gross Revenues Report by means of affidavit executed before a Notary Public. A late payment fee of Twenty-Five Dollars ($25) will be assessed for any Gross Revenues Report that is not submitted when due.

13.4 **Our Audit and Review Rights**. We have the right at any time to review and audit your Financial Records for the last five fiscal years. The review may be conducted by an employee of ours or by other people we designate. If we elect to proceed with an audit of your Financial Records, then the audit will be conducted by an outside public accounting firm. You and your accountants will make all of your Financial Records available to us for review and audit at the Retail Location. You shall also provide our representative(s) with adequate facilities to conduct the review and audit. We and our representatives will have the right to make copies of all or any of the Financial Records and to copy and duplicate all Financial Records on your computer system. You should expect to have your Financial Records reviewed

and/or audited by us at least once every five years. You shall at all times store and maintain the Financial Records in a dry, safe and secure place. We will provide you with a written copy of the report prepared by the reviewer or auditor.

13.5 **Audit/Review Costs**. If our audit or review results in a determination that you have overpaid monthly Royalty Fees or other amounts due to us, the amount of the overpayment will be refunded to you within 20 days from the date of the report. If our audit or review results in a determination that you underpaid us, then you shall, within 20 days of receipt of an invoice, pay us the amount of all past due monthly Royalty Fees and other amounts owed to us, together with late payment charges as provided for in this Agreement. If our audit or review results in a determination that you underpaid the monthly Royalty Fees by more than $500 during any 12-month period, then you must reimburse us for all Costs and Expenses we incurred in connection with the review and audit of your Financial Records, including payments made to an accounting firm conducting the review or audit and the salaries and travel expenses incurred by our employees who were involved with or conducting the audit or review. If we have someone other than an outside accounting firm review your Financial Records under Section 13.4 and the review shows an underpayment of the monthly Royalty Fees by more than $500 during any 12-month period, you may contest the review and request an audit by an outside public accounting firm. You must pay for the audit by the outside public accounting firm, but if the audit reveals that you did not underpay the monthly Royalty Fees by more than $500 during any 12-month period, then we will reimburse you for the cost of the audit.

ARTICLE 14.
TRANSFERABILITY OF INTEREST

14.1 **Our Right of First Refusal**. You shall not Sell or Transfer any interest in or any part of the Business Assets to any person or entity without first offering the same price and terms to us in a written offer that contains all material terms and conditions of the proposed transaction ("**Price and Terms**"). This provision will not apply to (i) the Sale or Transfer of Business Assets (with the exception of this Agreement) by you to a bank, financial institution or other recognized commercial lender in connection with the financing of the leasehold improvements, furniture, fixtures, supplies and equipment, and/or the real estate and building used in the Business, (ii) a Sale or Transfer of any Ownership Interest to a member of your Immediate Family, (iii) the Sale or Transfer of any Ownership Interest to a Key Employee following your death, or (iv) a Sale or Transfer of any inventory of the Business to the extent the Sale or Transfer occurred in the normal course of business and is not otherwise part of a Sale or Transfer of any other Business Assets. Our failure to exercise our rights under this Section 14.1 shall not affect our rights to consent to a transfer as set forth in Section 14.9.

14.2 **Notice of Proposed Sale**. If we request additional information concerning the Business or the Price and Terms, you shall immediately provide us with all other information pertaining to the Sale or Transfer, the Business Assets and the Price and Terms that we request. Once we receive this information, we will have 15 business days to notify you that we are exercising our right of first refusal to purchase the Business Assets according to the Price and Terms, except that we will have the right to substitute equivalent cash for any non-cash consideration included in the offer. If we waive our right of first refusal, then you will have the right to complete the Sale or Transfer of the Business Assets according to the Price and Terms, however, the Sale or Transfer must still comply with the terms and conditions of Section 14.9. However, if you do not complete the Sale or Transfer on the Price and Terms previously presented to us within 45 days after we waived our right of first refusal (either because you did not complete the sale within that time period, or because you changed the Price and Terms), then before you can complete a Sale or Transfer, you must comply again with our right of first refusal as set forth in this ARTICLE 14. If we waive our right of first refusal or reject your written offer to Sell or Transfer the Business Assets, that

will not change your obligations to us, or relieve you of your obligations under this Agreement, and the terms and conditions of this Agreement will remain in full force and effect.

14.3 **Administrative Expenses**. If you notify us of your intent to Sell or Transfer the Business Assets and we state our interest in acquiring the Business Assets under Section 14.2 above, and if you subsequently determine not to Sell or Transfer the Business Assets, then you must reimburse us for all Administrative Expenses we incurred in evaluating the proposed transaction and attempting to acquire the Business Assets.

14.4 **Transfer of Ownership Interest by Franchisee's Owners**. You acknowledge that an Ownership Interest is included within the definition of Business Assets, and therefore no Ownership Interest may be sold without first complying with the provisions of this ARTICLE 14. However, each of your Owners may Sell or Transfer their Ownership Interest to: (i) members of his or her Immediate Family; (ii) any trust established for the members of his or her Immediate Family during his or her lifetime or upon death; or (iii) a Key Employee of yours upon death, without first offering it to us. The Owner must still give us 10 days prior written notice of any proposed Sale or Transfer. The transferee owner must agree to personally guarantee this Agreement. Each proposed transferee owner who will be involved in the operation or management of the Business must also successfully complete the Required Training Programs. All Ownership Interests you issue to your Owners must bear the following legend:

> "*The Ownership Interest represented by this certificate is subject to a written Franchise Agreement which grants Novus Franchising 2 LLC the right of first refusal to purchase the Ownership Interest from the Owner. Any person acquiring the Ownership Interest represented by this certificate will be subject to the terms and conditions of the Franchise Agreement which includes provisions containing covenants not to compete that apply to all Owners.*"

14.5 **Selling Owners Subject to Covenant Not to Compete**. Any Owner that Sells or Transfers any Ownership Interest in the Franchisee will be subject to the provisions of Section 18.3 of this Agreement after the Sale or Transfer.

14.6 **Our Right to Purchase Business Assets Upon Expiration.** If this Agreement expires at the end of its term and you do not exercise your option to re-franchise as provided in Section 3.2, then we will have the right, but not the obligation, to purchase all of the Business Assets, except for the Ownership Interests, in accordance with the provisions of this Section 14.6. Within 24 hours after this Agreement expires, you must give us written notice listing the cost and asking price for each one of the Business Assets. If you fail to give us notice of the cost and asking price for the Business Assets, or if we do not agree with your asking price, and you and we cannot agree on the price of the Business Assets, then either you or we will have the right to demand that the price of the Business Assets be determined by arbitration in accordance with the Code of Procedure of the National Arbitration Forum, Post Office Box 50191, Minneapolis, Minnesota 55405 (www.arb-forum.com), 1-800-474-2371. The arbitrator will not consider any value for goodwill associated with the name "Novus®" in determining the fair market value of the Business Assets since the right of purchase granted to us by this Section 14.6 only applies after this Agreement has expired. The arbitrator may not include the value of the lease for the Retail Location if we give the arbitrator written notice that we intend to assume the lease. If the arbitrator is unable to determine the fair market value of any of the Business Assets, then they will be valued at book value (cost less depreciation). We will have the right, but not the obligation, to purchase any or all of the Business Assets from you for cash within 20 days after the fair market value of the Business Assets has been established by the arbitrator in writing. However, we would also still have the right, whether or not we purchase the Business Assets, to recover any damages caused by any breach of this Agreement on your part, or any wrongful termination of this Agreement on your part, and we have the right to enforce all

post-termination obligations you have in this Agreement, including the covenants not to compete contained in Section 18.3.

14.7 **Our Right to Purchase Business Assets Upon Termination**. If this Agreement is terminated by either of us for any reason whatsoever, prior to its scheduled expiration, or if you at any time cease to do business in your Territory, then we will have the right, but not the obligation, to purchase all of the Business Assets, except for the Ownership Interests, in accordance with the provisions of this Section 14.7. Within 24 hours after this Agreement is terminated, or after you stop operating the Business, you must give us written notice listing the cost and asking price for each one of the Business Assets. If you fail to give us notice of the cost and asking price for the Business Assets, or if we do not agree with your asking price, and you and we cannot agree on the price of the Business Assets, then we may purchase any or all of the Business Assets on the following terms:

(a) We may purchase your interest in the leasehold for the premises in which the Business has been operated for a fee of $1.00. If we exercise this right, you will assign such lease over to us and we will assume your remaining obligations under the lease or sublease, provided you are current under all obligations of the lease or sublease through the date of termination;

(b) We may purchase any vehicles you were using in the Business (and not leased from us) for a price equal to the most recent NADA wholesale value of those vehicles, as published 30 days prior to the date of termination;

(c) We may purchase any new or unused business inventory at the lower of your cost or market value, including the cost of freight;

(d) We may purchase any equipment used in the Business at a price equal to its depreciated book value using a straight-line depreciation over a period of five years, but with an aggregate price of not less than $1.00;

(e) We may purchase all goodwill, books and records, intellectual property, and all other intangible assets of the Business for $1.00;

(f) We may purchase all office supplies and other tangible assets of the Business at fair market value, not to exceed an aggregate of $100.00;

(g) We may purchase all accounts receivable of the Business as of the closing date at a price equal to 90% of the face value of all the accounts receivable that are under 30 days as of the closing date; and

(h) We may purchase all furniture, fixtures, and any other assets used in the Business at the closing date, at a price equal to their depreciated book value using a straight-line deprecation over a period of five years, but with an aggregate price of not less than $1.00.

In no event will we assume any of your liabilities or obligations (except for lease obligations if we elect to purchase your leasehold interest). All of the assets we elect to purchase must be transferred to us, on forms we reasonably require, free and clear of all liens and encumbrances. In addition, we would still have the right, whether or not we purchase the Business Assets, to recover any damages caused by any breach of this Agreement on your part, or any wrongful termination of this Agreement on your part, and we have the right to enforce all post-termination obligations you have in this Agreement, including the covenants not to compete contained in Section 18.3.

14.8 **Assignment by Us**. This Agreement may be unilaterally Sold or Transferred by us without your approval or consent, and will inure to the benefit of our successors and assigns. We will give you written notice within 30 days after any Sale or Transfer, and the assignee will be required to fully perform our obligations under this Agreement.

14.9 **Conditions of Transfer**. This Agreement, or an Ownership Interest, or the Business, or the Business Assets, may be Sold or Transferred by you or the Owner only with our prior written approval. As long as you comply with the provisions of this Section 14.9, we will not unreasonably withhold our consent to the Sale or Transfer of this Agreement, or an Ownership Interest, or the Business, or the Business Assets, provided that:

(a) all of your monetary obligations due to us and our Affiliates have been paid in full, and you are not otherwise in default under this Agreement;

(b) you and your Owners, in the case of a Sale or Transfer of an Ownership Interest, have signed and delivered a written agreement, in a form satisfactory to us, agreeing to be bound by the post-termination provisions of this Agreement, including the covenants not to compete contained in Section 18.3 of this Agreement;

(c) the transferee does not own or operate, and is not involved in a business that competes directly or indirectly with or is similar to any Novus business;

(d) the transferee meets our managerial, financial and business standards for new franchisees, possesses a good business reputation and credit rating, and possesses the aptitude and ability to operate the Business in an economic and businesslike manner (as may be shown by prior related business experience or otherwise);

(e) the transferee and all parties having an ownership interest in the transferee, including, if applicable, the transferee's owners, sign new agreements, in the form we then use in the grant of Novus franchises operated from a retail location, including a new franchise agreement and personal guaranty; provided, however, that the transferee will not be required to pay a new Initial Fee or a Re-Franchise Fee;

(f) the transferee agrees to acquire all additional items we require to identify the Business to ensure that the transferee's Business will comply in all respects with our then-current standards and specifications;

(g) the transferee agrees to acquire all additional equipment we require to ensure that the equipment used by the transferee in the Business will comply in all respects with our then-current standards and specifications;

(h) before the Sale or Transfer occurs, the transferee agrees: (i) that the transferee and the appropriate employees designated by the transferee will attend and successfully complete the Required Training Programs; (ii) to pay all required training fees to us; and (iii) to pay the salaries and travel expenses for all persons who attend the Required Training Programs;

(i) you sign a general release of all claims you may have against us;

(j) you have paid us a transfer fee of $7,500, which we will reduce to $5,000 if the purchaser is an existing Novus Glass franchisee; and

(k) you and the transferee have timely provided all of the information relating to the Sale or Transfer of this Agreement that we request to properly document the Sale or Transfer.

14.10 **Acknowledgment of Restrictions**. You acknowledge and agree that the restrictions imposed by us on any Sale or Transfer in this ARTICLE 14 and are reasonable and necessary to protect the goodwill associated with the Business System and the Marks, as well as our reputation and image, and are for the protection of us and all other franchisees that own and operate a Novus business. Any Sale or Transfer permitted by this ARTICLE 14 will not be effective until we receive fully signed copies of all documents relating to the Sale or Transfer, and we have consented in writing to the Sale or Transfer.

ARTICLE 15.
OUR TERMINATION RIGHTS, DAMAGES

15.1 **Termination for Your Breach; Opportunity to Cure**. In addition to our other rights of termination contained in this Agreement, we have the right to terminate this Agreement if:

(a) you or any of your employees fail to successfully complete the Required Training Programs within the time periods specified in this Agreement;

(b) you fail to either purchase or lease a site for the Retail Location within 90 days from the date of this Agreement;

(c) you fail to open and begin operating the Business within six months from the date of this Agreement or when the Retail Location is ready for occupancy, whichever is earlier;

(d) you violate any material provision, term or condition of this Agreement, including failure to timely pay any Royalty Fees or any other monetary obligations or fees due to us or our Affiliates, or violate any material provision, term or condition of any other agreement with us or with any Affiliate of ours, however, a violation of the "Development Schedule" in an area development agreement between us shall not be, by itself, cause for termination of this Agreement;

(e) you fail to conform to the Business System or our standards of uniformity and quality for the Products and Services;

(f) you fail to timely pay any of your obligations or liabilities to your landlord, employees, suppliers, banks, purveyors and other creditors, or to us or to our Affiliates, under this Agreement or under any other agreement, including vehicle lease agreements;

(g) any check you issue is dishonored because of insufficient funds (except where the check is dishonored because of an error in bookkeeping or accounting) or closed accounts, or you fail to maintain a balance in your bank account sufficient to allow payment of Royalty Fees to us by direct bank debit;

(h) you fail to purchase or pay for the supplies, equipment and technology required for the Business;

(i) you fail to file any required Tax return or fail to timely pay any Taxes when due; or

(j) you do not generate the Minimum Gross Revenues during any period of this Agreement.

We will not, however, have the right to terminate this Agreement for the foregoing reasons unless and until we give you (x) written notice setting forth the alleged breach, and (y) you fail to correct the alleged breach within the period of time specified by applicable law. If applicable law does not specify a time period to correct an alleged breach, then you will have 30 days after receiving the written notice to correct the alleged breach (or 90 days in the case of your failure to generate the Minimum Gross Revenues during any quarter of this Agreement), except where the written notice states that you are delinquent in the payment of any Royalty Fees or other amounts payable to us under this Agreement or under any other agreement, in which case you will have 15 days after receiving the written notice to correct the breach by making full payment (including any applicable interest or late payment charges). If we have complied with the provisions of this Section 15.1 and you have not corrected the alleged breach set forth in the written notice within the time period specified in this Agreement, then we may terminate this Agreement by giving you written notice of termination. The effective date of termination will be the date the written notice of termination is received, as specified in Section 20.16, or such later date as is specified in the notice.

15.2 **Our Immediate Termination Rights**. We will have the right, unless precluded by applicable law, to immediately terminate this Agreement, by written notice, if you:

(a) or any of your partners, directors, officers or Owners are convicted of or plead guilty to violating any law relating to the Business, or any gross misdemeanor or felony;

(b) are insolvent within the meaning of any state or federal law, any involuntary petition for bankruptcy is filed against you, or you file for bankruptcy or are adjudicated a bankrupt under any state or federal law;

(c) make an assignment for the benefit of creditors or enter into any similar arrangement for the disposition of the Business Assets for the benefit of creditors;

(d) abandon the Business;

(e) are involved in any act or conduct that materially impairs the goodwill associated with the Marks or the Business System and you fail to correct the breach within 24 hours of receiving written notice of the breach from us, or within the time specified by law; or

(f) fail or refuse to produce your financial and business records for audit by us as required by Section 13.4.

15.3 **Liquidated Damages For Abandonment**. If this Agreement is terminated prior to the expiration of the Term pursuant to Section 15.2(d) by reason of your abandonment of the Business, then, in addition to and without limitation of all of your other obligations herein that arise upon the termination or expiration of this Agreement, including without limitation your post-term covenant not to compete set forth in Section 18.3, you shall pay to us, as liquidated damages on account of your abandonment, and not as a penalty, an amount equal to the then-net present value of sixty (60) times the average monthly Royalty Fees that were due and payable on the Gross Revenues of the Business over the last full twelve (12) months prior to termination (or if you have not operated the Business for twelve (12) months, then the period from the first full month following the opening of the Business until the month prior to termination of this Agreement). If the breach occurs at a time when there are less than sixty (60) months remaining on the Term, the multiple shall be reduced to the remaining months on the Term. The liquidated damages shall be full and complete compensation for any damages that we would have suffered for your failure to fulfil the complete Term. Any debt of Franchisee for any Royalty Fee, product purchases, or any other fees or costs unpaid at the time of termination, will remain owed in

addition to the agreed upon liquidated damages. The parties agree that it would be extremely difficult or impractical to fix the amount of actual damages in advance because of uncertainties in the marketplace and differing circumstances that might exist at the time of breach, including without limitation uncertainly as to the value to us for having a Business in a particular region or area, the exposure of the brand and Marks to the public, and marketing of prospective franchises to potentially interested parties. The parties have therefore made a reasonable endeavor to estimate fair compensation for the loss that would be sustained upon your breach of this Agreement and abandonment of the Business prior to the expiration of the Term. The parties further agree that the above-mentioned damages are reasonable and such would have a reasonable relationship to the actual damages, if such could be precisely determined.

15.4 **Other Remedies**. Nothing in this Agreement will preclude us from seeking other remedies against or damages from you under state or federal laws, common law, or under this Agreement, including attorneys' fees and injunctive relief. If we terminate this Agreement under this ARTICLE 15, or if you breach this Agreement by a wrongful termination or a termination that does not comply with the terms and conditions of ARTICLE 16 of this Agreement, then we will be entitled to seek recover from you all damages that we have sustained and will sustain in the future as a result of your breach of this Agreement.

ARTICLE 16.
YOUR TERMINATION RIGHTS

16.1 **Termination for Our Breach**. You have the right to terminate this Agreement if you comply fully with this ARTICLE 16 and we violate any material provision, term or condition of this Agreement.

16.2 **Notice and Opportunity to Cure.** You will not have the right to terminate this Agreement unless and until: (a) you give us written notice setting forth the alleged breach in detail; and (b) we fail to correct the alleged breach within 30 days after receiving this written notice.

16.3 **Notice of Termination**. If you have complied with the provisions of this ARTICLE 16 and we have not corrected the alleged breach set forth in the written notice within the time period specified in this Agreement, then you may terminate this Agreement by giving us written notice of termination. The effective date of termination will be the date set forth in your written notice of termination, provided that the notice will be ineffective unless it provides that the termination will be effective no earlier than 10 days after we receive the notice of termination.

16.4 **Compliance With Post-Termination Obligations.** If you exercise your right to terminate the Agreement under this ARTICLE 16, you must still comply with all post-termination obligations in ARTICLE 17 and Section 18.3 of this Agreement.

ARTICLE 17.
YOUR OBLIGATIONS UPON TERMINATION OR EXPIRATION

17.1 **Termination of Use of Marks.** Upon termination or expiration of this Agreement, you shall:

(a) not have any further right to use the name "Novus®", the other Marks and/or the Business System in connection with your business operations;

(b) immediately cease using the name "Novus®" and the Marks, and any other word, phrase or symbol confusingly similar to the name "Novus®" or the Marks, or any variation thereof, in all advertising, marketing and promotional materials, including promotional materials on any Website including any Social Media Site;

(c) take all other actions relating to the name "Novus®" and the Marks as we may request, and

(d) not hold yourself out, or advertise the Business, as formerly a Novus business or by any other means that suggests you had a prior relationship with us. You agree and acknowledge that your continued use of the name Novus® and the Marks after the expiration or termination of this Agreement will be without our consent and will constitute an "exceptional case" under federal trademark law (15 U.S.C. §1117) entitling us to recover treble damages, costs and attorneys' fees.

17.2 **Other Obligations Upon Termination.** If this Agreement expires or is terminated for any reason you shall immediately comply with all applicable provisions of this Agreement, and within five days after termination:

(a) submit to us Gross Revenues Reports for all periods through the date of expiration or termination that have not previously been provided;

(b) pay all Royalty Fees and all other amounts you owe us or our Affiliates, including, if this Agreement terminates for any reason prior to the Expiration Date, Minimum Monthly Royalty Fees and equipment lease payments for all periods through the Expiration Date;

(c) return to us by first class prepaid United States mail the Operations Manual, all Glass Repair, Glass Replacement, and other equipment leased from us, and all advertising materials, signage, and other printed materials pertaining to the Business System;

(d) provide us with a copy of all your customer records;

(e) inform your suppliers in writing of the expiration or termination and send us a copy of all such communications;

(f) return any vehicles leased from us in accordance with the terms of the respective lease agreements;

(g) change the exterior and interior appearance of the Retail Location and any vehicles used in connection with the Business (and not leased from us) so that they will be easily distinguished from the appearance of retail locations and vehicles used in Novus businesses; and

(h) cancel any assumed name or similar registration using the Marks.

17.3 **Assignment of Telephone Number and Directory Listings**. You acknowledge and agree that we have the absolute right and interest in and to all telephone numbers and directory listings associated with the Marks, and you hereby authorize us to direct the telephone company and all listing agencies to transfer and assign to us or our designee the telephone numbers and directory listings for your Business upon our request at any time following expiration or termination of this Agreement, in our sole and absolute discretion. Upon execution of this Agreement, you shall deliver to us an executed assignment in blank, in the form required by us, assigning all telephone numbers for your Business to us or our designee. You also authorize us to deliver this assignment to the telephone company at any time following termination or expiration of this Agreement, or if we acquire your Business, as determined by us in our sole and absolute discretion, and to notify the telephone company and all listing agencies of the termination or expiration of your right to use all telephone numbers and all classified and other directory listings for the Business, and to authorize the telephone company and all listing agencies to assign and transfer to us or our designee all telephone numbers and directory listings of your Business. The

telephone company and all listing agencies have the right to accept either this Agreement or the assignment in blank delivered upon execution of this Agreement, as evidence of our exclusive rights to such telephone numbers and directory listings and the authority from you for the telephone company and listing agencies to transfer all such telephone numbers and directory listings to us or our designee. You also agree to execute and deliver and any all documents as we may require to assign and transfer to us or our designee all telephone numbers and directory listings of your Business. This Agreement will be your release of the telephone company and listing agencies from any and all claims, actions and damages that you may at any time have the right to allege against them in connection with the transfer of your telephone numbers and directory listings to us.

17.4 **Domain Names and Other Electronic Information.** You acknowledge and agree that we have the absolute right and interest in and to the Home Page and any Novus Social Media Site, including, but not limited to, any domain name associated therewith or content thereon, and you agree to take any and all actions as may be necessary to assign and transfer access to and the registration or listings thereof to us upon termination or expiration of this Agreement.

ARTICLE 18.
FRANCHISEE'S COVENANTS NOT TO COMPETE

18.1 **Your Acknowledgments.** You acknowledge and agree that:

(a) you will benefit from and be identified with the System's goodwill;

(b) you, your Owners and your employees will receive: specialized training, "know-how," current and future marketing and advertising plans, business plans and strategies, business information, concepts, proprietary technology, formulas, marketing and promotional techniques, confidential information and trade secrets from us pertaining to the Business System and the operation of the Business;

(c) we have advised you that this ARTICLE 18 is a material provision of this Agreement, and that we would not grant a Novus® franchise to you or provide you with our Business System, technology, business information and "know-how," proprietary concepts, and experience if you intended to own, operate or be involved in a business that competes directly or indirectly with the Business or the Business System; and

(d) the restrictions imposed by the covenants under this ARTICLE 18 are reasonable and will not unduly limit your business opportunities.

18.2 **In-Term Covenant Not-to-Compete.** You agree that you, your Owners, the Personal Guarantors, and the members of your and their Immediate Families will not, during the Term, for your or their own account, or as an employee, agent, consultant, partner, officer, director, member, or owner of any other person, firm, entity, partnership, company, or corporation, own, operate, lease, franchise, license, conduct, engage in, consult with, be connected with, have any interest in, or assist any person or entity engaged in a Competitive Business.

18.3 **Post-Term Covenant Not-to-Compete.** You agree that you, your Owners, the Personal Guarantors, and the members of your and their Immediate Families will not, for a period of two years after the termination or expiration of this Agreement, for your or their own account or as an employee, agent, consultant, partner, officer, director, member, or owner of any other person, firm, entity, partnership, company, or corporation, own, operate, lease, franchise, license, conduct, engage in, consult with, be connected with, have any interest in, or assist any Competitive Business if that business is

located or operated (i) in your Territory, (ii) in any territory or area of primary responsibility we grant to any other Novus business, or (iii) within 10 miles of any business location of any Novus® Business in the United States and its possessions. You, your Owners, and the Personal Guarantors expressly agree that the time and geographical limitations set forth in this provision are reasonable and necessary to protect us and our franchisees if this Agreement expires or is terminated by either you or by us for any reason, and that the restriction in clause (i) is necessary to permit us the opportunity to resell and/or develop a new Novus glass repair and/or replacement business in your Territory to preserve the goodwill of our Marks in that market. You also agree that if you, your Owners, the Personal Guarantors, or the members of your or their Immediate Families violate this covenant not to compete, the term of the non-compete will be extended for any person engaged in violating this covenant not to compete, until two years after the violation has ceased.

ARTICLE 19.
INDEMNIFICATION

19.1 **Indemnification by You.** We are not responsible for Claims and/or Damages arising out of, from, or in connection with your operation of the Business. You agree to indemnify us and our Affiliates against, and reimburse us and our Affiliates for, all Claims and/or Damages we incur in defending any claim brought against us or in any action in which we are named as a party arising out of, from, as a result of, or in connection with the Business, the Retail Location, and/or the operation of the Business, including Claims and/or Damages arising from: (a) any personal injury, property damage, commercial loss or environmental contamination resulting from any act or omission by you or your employees, agents or representatives; (b) any failure on your part to comply with any federal, state or local laws or regulations; (c) your failure to pay any of your debts or obligations; or (d) your failure to comply with any requirement or condition of this Agreement or any other agreement with us or our Affiliates. We will have the right to defend, at your expense, any claim made against us arising as a result of or from the Business.

19.2 **Indemnification by Us.** We agree to indemnify you against, and to reimburse you for, any obligation or liability for Claims or Damages to persons other than you or your owners that is attributable to our agreements or representations, or that is caused by our negligent or willful action, including the obligation to defend any litigation brought against you that is attributable to our agreements or representations, or caused by our negligent or willful action. We will have the right to participate in and to control any litigation or proceeding that might result in liability of or expense to you subject to indemnification by us.

19.3 **Collection and Enforcement Costs**. You shall pay us for any and all Costs and Expenses we incur for the collection of past due Royalty Fees or other amounts due to us or our Affiliates. In addition, you shall pay all Costs and Expenses we incur in successfully enforcing any term, condition or provision of this Agreement, in successfully enjoining any violation of this Agreement by you, or in successfully defending any lawsuit you bring against us.

ARTICLE 20.
INTERPRETATION AND ENFORCEMENT OF AGREEMENT

20.1 **Injunctive Relief**. You, your Owners and the Personal Guarantors agree that, notwithstanding any other provision of this Agreement, we will have the right to petition a court of competent jurisdiction for the entry of temporary restraining orders, temporary and permanent injunctions and orders of specific performance:

(a) enforcing the provisions of this Agreement relating to: (i) the Marks and the Business System; (ii) your obligations on termination or expiration of this Agreement, (iii) your Sale or Transfer of this Agreement, the Business Assets, or any Ownership Interest; (iv) the confidentiality of the Operations Manual and other confidential information; and/or (v) any covenants not to compete; and

(b) enjoining any act or omission by you or your employees that: (i) is a violation of any law, ordinance or regulation; (ii) is dishonest or misleading to the clients or customers of the Business or other Novus businesses; (iii) is a danger to the employees, public, guests, clients or customers of the Business; or (iv) may impair the goodwill associated with the Marks or the Business System.

You agree that we shall be entitled to obtain this injunctive relief without posting a bond or, if a court nevertheless requires a bond, by posting a bond set by the court in an amount not to exceed $5,000.

20.2 **Mediation**. Except for matters for which we may elect to enforce this Agreement by judicial process and injunction as set forth in Section 20.1, each of us (and your Owners and Personal Guarantors) agree to enter into mediation of all disputes involving this Agreement or any aspect of the relationship between us, for a minimum of four (4) hours, prior to the initiation of any lawsuit or other proceeding against the other.

(a) Upon written notice by either of us to the other of the initiating party's desire to mediate, the party receiving the notice will select an independent entity that regularly provides mediation services to franchisors and franchisees to serve as mediator in the proceeding. If the party receiving the notice of intent to mediate does not provide the name of such organization within ten (10) business days from the date the notice of intention to mediate is received, then the other party may forego mediation of the issue(s) and commence a legal action against the other or, at its option, make the selection of the organization to provide mediation services. If one of us selects an organization that is unwilling to serve as mediator or does not meet the requirements of this Section, then the other party may select the organization. Once the organization is designated and agrees to accept appointment as mediator, the organization will be directed to schedule the mediation proceeding at a time mutually convenient to both of us. The mediation will be held within thirty (30) days following receipt by the mediation organization of notification that its services are being retained. If You and we cannot agree on a date for mediation, then the mediation organization will select a date it believes is reasonable, given all of the alleged conflicts and dates.

(b) The actual mediator must be a person who has had at least ten (10) years of experience as either franchisee or franchisor (or is an officer of such an entity) or in franchise law.

(c) You and we will equally share the cost of the mediator.

(d) The mediator will select the location of the mediation, but unless You and we otherwise agree, the mediation will be held in a metropolitan area of not less than two hundred fifty thousand (250,000) persons and located at least two hundred (200) miles from either Your or our principal offices.

(e) If either of us initiates litigation without complying with the obligation to mediate in accordance with this Section 20.2 (unless the other party has failed to respond on a timely basis or has indicated it will not engage in mediation in accordance with the provisions of this Section 20.2), then upon petition of any party named as a defendant in such litigation, the court shall

dismiss the action without prejudice upon motion of the defendant, and award attorneys' fees and costs to the party seeking dismissal in an amount equal to such party's attorneys' fees and costs incurred in seeking dismissal. If the court refuses for any reason to dismiss the action, then regardless of the outcome of the action, or of any award given by the court in the action, the party initiating the action will be responsible for all attorneys' fees and costs incurred throughout the action by the other party as damages for failing to comply with the provisions of this Section 20.2.

20.3 **Waiver of Punitive Damages**. Each of us (and your Owners and Personal Guarantors) agree to waive, in the fullest extent permitted by law, any right to, or claim for, any punitive or exemplary damages against each other and against our respective Affiliates, employees or agents, and agree that in the event of a dispute between us, each of us will be limited to the recovery of any actual damages we sustain, and/or to injunctive relief, as permitted by the court.

20.4 **Severability**. All provisions of this Agreement, including those relating to covenants not to compete, are severable, and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not included in this Agreement, and partially valid and enforceable provisions will be enforced to the extent valid and enforceable. If any applicable law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement than is required in this Agreement or the taking of some other action not required in this Agreement, or if under any applicable law or rule of any jurisdiction, any provision of this Agreement or any of our specifications, standards or operating procedures are invalid or unenforceable, then the period of notice or other action required by that law or rule will be substituted for the notice requirements in this Agreement, or the invalid or unenforceable provision, specification, standard or operating procedure will be modified to the extent, but only to the extent, required to be valid and enforceable.

20.5 **Waiver of Obligations**. Neither you nor we will be considered to have waived any obligation of or restriction on the other person unless the waiver is in writing and signed by each of us. Our acceptance of any payment by you, or our failure, refusal or neglect to exercise any right under this Agreement or to insist on full compliance by you of your obligations under this Agreement, including any mandatory specification, standard or operating procedure, will not be considered a waiver by us of any provision of this Agreement. However, if either of us fails to notify the other in writing of any alleged misrepresentation, violation of law, deficiency, or breach of this Agreement, within one year from the date that we have knowledge of, believe, determine or are of the opinion that there has been a misrepresentation, violation of law, deficiency or breach by the other party, then the alleged misrepresentation, violation of law, deficiency or breach will be considered waived but such waiver of any prior deficiency or breach of any provision of this Agreement shall not affect the obligation of the party to comply with the obligation or provision in the future; provided, however, that this waiver will not apply to your underreporting of Gross Revenues, or under payment of any fees you owe us that are tied to the amount of your Gross Revenues.

20.6 **Payments to Us, Rights of Offset**. Your payment obligations under this Agreement are absolute and unconditional. You may not, for any reason, withhold, escrow or offset any Royalty Fees or other payments due to us or our Affiliates. We do, however, have the right to offset any payments we owe you against any amounts you may owe us.

20.7 **Effect of Wrongful Termination**. If either of us takes any action to terminate this Agreement, or you take any action to convert the Business to another business, without first complying with the terms and conditions (including the written notice and opportunity to cure provisions) of ARTICLE 15 or ARTICLE 16 of this Agreement, as applicable, then that action will not relieve or release either of us from any of our respective obligations under this Agreement, and the terms and conditions of this

Agreement will remain in full force and effect until this Agreement expires or is terminated in accordance with the provisions of this Agreement and applicable law.

20.8 **Cumulative Rights**. Your rights and our rights under this Agreement are cumulative and no exercise or enforcement by either of us of any right or remedy permitted under this Agreement will preclude the exercise or enforcement by either of us of any other right or remedy permitted under this Agreement or which we are entitled by law to enforce.

20.9 **Venue and Jurisdiction**. Except as set forth in the last sentence of this Section 20.9, unless prohibited by applicable law, all lawsuits, court proceedings and other actions initiated by us, by you, or by the Owners and the Personal Guarantors arising out of or related to this Agreement will be venued exclusively in the state or federal courts located in Ramsey County, Minnesota. You, your Owners and the Personal Guarantors acknowledge that you have had substantial business and personal contacts with us in Minnesota and you hereby agree and submit to personal jurisdiction in the State of Minnesota in connection with any lawsuit or proceeding brought to enforce or construe the terms of this Agreement, or to resolve any dispute or controversy arising under this Agreement, and you agree that except as set forth in the next sentence, all lawsuits, proceedings, hearings or other actions will be exclusively venued and held in Ramsey County, Minnesota. However, if we seek injunctive relief to enforce any provision of this Agreement, or to restrain any violation of this Agreement, we may, at our option, bring that action in the county in which the Retail Location is located.

20.10 **Jury Waiver**. **TO THE EXTENT EITHER OF US INITIATES LITIGATION INVOLVING THIS AGREEMENT OR ANY ASPECT OF THE RELATIONSHIP BETWEEN US (EVEN IF OTHER PARTIES OR OTHER CLAIMS ARE INCLUDED IN THE LITIGATION), YOU AND WE EACH WAIVE OUR RIGHT TO A TRIAL BY JURY. THIS WAIVER WILL APPLY TO ALL CAUSES OF ACTION THAT ARE OR MIGHT BE INCLUDED IN THE LITIGATION, INCLUDING CLAIMS RELATED TO THE ENFORCEMENT OR INTERPRETATION OF THIS AGREEMENT, ALLEGATIONS OF STATE OR FEDERAL STATUTORY VIOLATIONS, FRAUD, MISREPRESENTATION, OR SIMILAR CAUSES OF ACTION, AND IN CONNECTION WITH ANY LEGAL ACTION BROUGHT FOR THE RECOVERY OF DAMAGES BETWEEN OR AMONG US OR BETWEEN OR AMONG ANY OF OUR OWNERS, AFFILIATES, OFFICERS, EMPLOYEES OR AGENTS.**

20.11 **Survival of Obligations**. All obligations that are to be performed or may be performed following the expiration or termination of this Agreement will remain in effect following expiration or termination of this Agreement, including your indemnification obligations and your obligations under ARTICLE 17 and ARTICLE 18.

20.12 **Binding Agreement**. This Agreement is binding on you and on us, and on our respective executors, administrators, heirs, assigns and successors in interest.

20.13 **Entire Agreement**. This Agreement supersedes and terminates all prior agreements, either oral or in writing, between you and us involving this franchise relationship. All representations alleged by either you or by us that are not contained in this Agreement or in our Franchise Disclosure Document delivered to you prior to your execution of this Agreement will not be enforceable. This Agreement is the entire agreement between us, and there are no other oral or written understandings or agreements between us relating to the subject matter of this Agreement except those agreements and contracts, if any, that are signed by each of us concurrently with this Agreement; provided, however, nothing in this Agreement or any related agreement is intended to disclaim any representations made in the Franchise Disclosure Document you acknowledge having received at least 14 calendar days prior to the execution of this Agreement.

20.14 **Joint and Several Liability**. If more than one person is listed as the Franchisee in this Agreement, then the liability of all those people will be joint and several.

20.15 **No Oral Modification**. No modification, change, addition, rescission, release, amendment or waiver of this Agreement and no approval, consent or authorization required by any provision of this Agreement may be made except by a written agreement signed by duly authorized officers of the party that is alleged to have given the modification, change, rescission, release, amendment, waiver, approval, consent or authorization. Neither of us has the right to amend or modify this Agreement orally or verbally, and any attempt to do so will be void.

20.16 **Notices**. All notices to us must be in writing, must comply with applicable law, and must be addressed to:

General Manager
Novus Franchising 2 LLC
650 Pelham Boulevard, Suite 100
St. Paul, MN 55114

with copy (which will not be considered official notice) to:
Mondofix Inc.
99 Émilien Marcoux, Suite 101
Blainville, Quebec, J7C 0B4 Canada

All notices to you must be in writing and addressed to you at the address set forth on the cover page of this Agreement, or such other address as you designate in writing. Unless provided to the contrary by applicable law, all notices under this Agreement must be delivered by (a) personal service, (b) prepaid certified United States Mail, (c) by a recognized overnight delivery service (e.g., Federal Express, United States Express Mail or UPS) or (d) by facsimile transmission. Notice by mail will be effective on the third day after it is deposited in the mail, notice by personal service will be effective upon delivery, notice by overnight delivery service will be effective on the next business day after sent, and notice by facsimile will be effective when confirmation is received at the point of transmission.

20.17 **Counterparts**. This Agreement may be executed in any number of identical counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same Agreement. The parties will be entitled to rely upon delivery of an executed facsimile or similar executed electronic copy of this Agreement, and such facsimile or similar executed electronic copy will be legally effective to create a valid and binding agreement between the parties.

ARTICLE 21.
GOVERNING LAW, STATE MODIFICATIONS

21.1 **Governing Law**. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §1051 *et seq.)*, this Agreement and the relationship between us will be governed by the laws of Minnesota, but if you are not a resident of Minnesota or the Territory does not include a portion of Minnesota, then the Minnesota Franchises Act will not apply to this Agreement.

21.2 **State Modifications**. If all or a portion of the Territory is located in any one of the states indicated below in this Section 21.2, or if the laws of any of these states are otherwise applicable, then the designated provisions of this Agreement will be amended and revised as follows:

(a) **California**. If this Agreement is governed by the laws of California, then the following provisions apply:

(i) The covenant not to compete upon termination or expiration of this Agreement contained in Section 18.3 may be unenforceable, except in certain circumstances provided by law;

(ii) Provisions of this Agreement giving us the right to terminate in the event of your bankruptcy may not be enforceable under federal bankruptcy laws (11 U.S.C. Sec. 101, et seq.);

(iii) To the extent that the provisions of this Agreement provide for periods of notice less than those required by California law, or provide for transfer, termination, cancellation, nonrenewal or the like other than in accordance with California law, such provisions shall, to the extent such are not in accordance with California law, be superseded by said law;

(iv) The choice of law and forum provisions of this Agreement contained in Sections 20.9 and 21.1 may be unenforceable in California, except in certain circumstances provided by law;

(v) This Agreement contains a liquidated damages clause, which may not be enforceable under California Civil Code 1671.

(vi) The maximum interest rate to be charged in California is 10%;

(vii) Section 22.2 of this Agreement, titled "Your Acknowledgements," is hereby deleted in its entirety and replaced with the following language: "[Intentionally Deleted];" and

(viii) No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

(b) **Hawaii**. If this Agreement is governed by the laws of Hawaii, then:

(i) Section 22.2 of this Agreement, titled "Your Acknowledgements," is hereby deleted in its entirety and replaced with the following language: "[Intentionally Deleted];" and

(ii) 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

(c) **Illinois**. If this Agreement is governed by the laws of Illinois, then the following provisions apply:

(i) Illinois law governs the franchise agreements;

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

(iii) Franchisees' rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act;

(iv) In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void; and

(v) No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

[See the last page for your required signature]

(d) **Indiana**. If this Agreement is governed by the laws of Indiana, then:

(i) The provisions of Section 9.8 requiring a release of claims arising from your participation in our training programs will not apply to claims under the Indiana Deceptive Franchise Practices Act (the "Indiana Law");

(ii) You will have the right to petition a Court of competent jurisdiction for injunctive relief relating to the alleged improper termination of this Agreement by us or our alleged unreasonable refusal to consent to your Sale or Transfer of this Agreement under Section 14.9;

(iii) Any provisions of this Agreement or any addendum to this Agreement requiring a release of claims as a condition of Sale or Transfer or renewal of the Franchise will not apply, but you will still be bound by the other terms and conditions of this Agreement and any addendum to this Agreement thereto;

(iv) A Court of competent jurisdiction will determine (1) whether damages alone can adequately compensate us if there is a violation of ARTICLE 18 by you, your Owners or the Personal Guarantors, and (2) whether we will be required to post a bond or other security, and the amount of that bond or other security, in any injunctive proceeding we bring against you, your Owners or the Personal Guarantors;

(v) We each recognize that the Indiana Law prohibits us (1) from unfairly competing against you in the Territory, or (2) from enforcing the covenant not to compete set forth in Section 18.3 beyond a reasonable distance from your Retail Location or Territory;

(vi) Section 19.1 is amended to provide that you are not obligated to indemnify us for any liability caused by your proper reliance on or use of procedures or materials we provide to

you, or for liability arising from our negligence, however this amendment of Section 19.1 will not affect in any way your obligation to obtain and maintain insurance coverage in accordance with ARTICLE 12;

(vii) The acknowledgment by you of substantial business contacts with us in Ramsey County, Minnesota and the consent by you to jurisdiction and venue in Ramsey County, Minnesota contained in Section 20.9 may not apply, but that does not mean that venue in Ramsey County, Minnesota is improper, or that you, your Owners and the Personal Guarantors are not subject to jurisdiction in Ramsey County, Minnesota or in any other state;

(viii) The provisions of Section 20.9 requiring litigation to take place in Ramsey County, Minnesota will not apply if there is litigation between you and us;

(ix) You will always have up to two years to bring an action against us for a violation of the Indiana Law, and up to three years from the date of discovery to bring an action against us for a violation of the Indiana Law;

(x) Any lease agreement, promissory note, security agreement or other agreement between us and you will be governed by and construed in accordance with the laws of Indiana and the substantive laws of Indiana will govern the rights and obligations of and the relationship between us and you; and

(xi) You do not, by signing this Agreement, waive your rights under Indiana Law with respect to any representations we made before the date of this Agreement.

(e) **Maryland**. If your Territory is located in, or you are a resident of Maryland, then this Agreement will be governed by the laws of Maryland, and this Agreement will be amended and revised as follows:

(i) Section 14-216(c)(25) of Maryland Franchise Registration and Disclosure Law, Md. Ann. Code, Article—Business Regulation, Title 14, Section 14-201 et seq. (the "Maryland Law") requires us to file an irrevocable consent to be sued in Maryland and so your consent to jurisdiction and venue in Ramsey County, Minnesota contained in Section 20.9 will not apply, and you may sue us in Maryland for claims arising under the Maryland Law;

(ii) Any provisions of this Agreement or any addendum to this Agreement requiring a release of claims as a condition of the Sale or Transfer or renewal of the Franchise will not apply to any liability under the Maryland Law; however, in that case, you will remain liable under the Franchise Agreement and any addendum to this Agreement thereto;

(iii) Any provision of this Agreement that requires you to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would be a violation of the Maryland Law in order to purchase the Franchise will not act as a release, estoppel or waiver of any liability we have under the Maryland Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years of the grant of the Franchise;

(iv) Section 22.2 of this Agreement, titled "Your Acknowledgements," is hereby deleted in its entirety and replaced with the following language: "[Intentionally Deleted];" and

(v) No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

(vi) Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

(f) **Minnesota**. If you are a resident of Minnesota or any portion of the Territory is located in Minnesota, then:

(i) ARTICLE 3 of this Agreement will be amended to provide that, except in certain circumstances specified by law, we must give you at least 180 days prior written notice of nonrenewal of the Franchise;

(ii) Section 15.1 will be amended to require that, except as set forth in Article 15.2 if we give you notice that you have breached this Agreement, that notice will be given to you at least 90 days before we terminate this Agreement, and you will have 60 days after receiving that notice to correct the breach specified in the notice;

(iii) A court of competent jurisdiction will determine whether we are required to post a bond or other security to obtain an injunction against you, your Owners or Personal Guarantors, and the amount of the bond or other security;

(iv) Sections 20.3 and 20.10 will be deleted from this Agreement;

(v) We will protect your right to use the Marks or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks, provided you have properly used the Marks and comply with our instructions regarding their use;

(vi) The limitation of claims provided for in the second sentence of Section 20.5 will not apply to any claims you may have under Minnesota Statutes, §80C.17;

(vii) Any provisions of this Agreement or any addendum to this Agreement requiring a general release will not apply, but you will still be bound by the other terms and conditions of this Agreement and any addendum to this Agreement thereto; and

(viii) No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

(g) **New York**. If this Agreement is governed by the laws of New York, then:

(i) Section 19.1 will be amended to provide that you are not required to indemnify us against claims arising out of our breach of contract, negligence or other civil wrong, however the amendment of Article 19.1 will not affect in any way your obligation to obtain and maintain

insurance coverage in accordance with ARTICLE 12;

(ii) Any modifications to the Operations Manual we make will not unreasonably increase your obligations under this Agreement and will not place an excessive economic burden on the Business;

(iii) Any release required in this Agreement or any addendum to this Agreement and the choice of law provisions of this Agreement will not be considered a waiver of any right you are given under Article 33 of the General Business Law of the State of New York;

(iv) Section 14.8 will be amended to provide that no assignment shall be made except to an assignee who in good faith and judgment of the Franchisor, is willing and financially able to assume the Franchisor's obligations under this Agreement;

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

(vi) Any sale made must be in compliance with Section 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. Section 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10 business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

(h) **North Dakota**. If this Agreement is governed by the laws of North Dakota, then:

(i) Section 15.1 of this Agreement will be amended to require that if we give you notice that you are delinquent in the payment of any fees or other payments you owe us, you will have 30 days after receiving notice to correct the breach by making full payment to us (including any applicable interest or late payment charges);

(ii) Section 15.3 of this Agreement is modified to delete any requirement that you consent to termination penalties or liquidated damages.

(iii) The covenant not to compete upon termination or expiration of this Agreement contained in Section 18.3 may not be enforceable, except in certain circumstances provided by law;

(iv) Section 21.1 of this Agreement will be amended to substitute "the laws of North Dakota" in place of "the laws of Minnesota", and to delete the remainder of that sentence;

(v) Your consent to jurisdiction and venue in Ramsey County, Minnesota contained in Section 20.9 may not apply, but that does not mean that venue in Ramsey County, Minnesota is improper, or that you, your Owners, and Personal Guarantors are not subject to jurisdiction in Ramsey County, Minnesota, or in any other state;

(vi) Section 20.3 of this Agreement is deleted;

(vii) Section 20.10 of this Agreement is deleted; and

(viii) No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

(i) **Rhode Island**. If this Agreement is governed by the laws of Rhode Island, then any provision of this Agreement restricting jurisdiction or venue to a forum outside Rhode Island is void as to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

(j) **South Dakota**. If this Agreement is governed by the laws of South Dakota, then under *South Dakota Codified Laws* ("**SDCL**") 37-5B-26, any acknowledgment provision, disclaimer or integration clause or other provision having a similar effect in this Agreement will not negate or act to remove from judicial review any statement, misrepresentation or action that violates SDCL Chapter 37-5B or a rule or order under Chapter 37-5B.

(k) **Virginia**. If this Agreement is governed by the laws of Virginia, then the following provisions shall apply:

(i) No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

(l) **Washington**. If this Agreement is governed by the laws of Washington, then:

(i) If there is a conflict of laws, the provisions of the *Washington Franchise Investment Protection Act*, Chapter 19.100 RCW (the "**Washington Act**"), will prevail;

(ii) RCW 19.100.180 may supersede this Agreement in your relationship with us, including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede this Agreement in your relationship with us, including the areas of termination and renewal of your franchise;

(iii) In any arbitration involving a franchise purchased in Washington, the arbitration site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator at the time of arbitration. In addition, if litigation is not precluded by this Agreement, you may bring an action or proceeding arising out of or in connection with the sale of the franchise, or a violation of the Washington Franchise Investment Protection Act, in Washington;

(iv) A release or waiver of rights you sign will not include rights under the Washington Act, except when signed in connection with a negotiated settlement after this Agreement is in effect and where we are each represented by separate counsel;

(v) provisions of this Agreement that unreasonably restrict or limit the statute of limitations period for claims under the Washington Act, or rights or remedies under the Washington Act like a right to a jury trial may not be enforceable;

(vi) Transfer fees we charge must reflect our reasonable estimated or actual costs in effecting a Sale or Transfer;

(vii) Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in this Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington;

(viii) RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in this Agreement or elsewhere are void and unenforceable in Washington;

(ix) Section 22.2 of this Agreement, titled "Your Acknowledgements," is hereby deleted in its entirety and replaced with the following language: "[Intentionally Deleted];" and

(x) No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

(m) **Wisconsin**. If this Agreement is governed by the laws of Wisconsin, then the provisions of the Wisconsin Fair Dealership Law, Wis. Stat. Chapter 135, will supersede any conflicting terms of this Agreement.

21.3 **Severability**. The severability provisions of this Agreement contained in Section 20.4 of this Agreement will pertain to all of the applicable laws that conflict with or modify the provisions of this Agreement, including the provisions of this Agreement specifically addressed in Section 21.2 above.

ARTICLE 22.
DISCLAIMER AND ACKNOWLEDGMENTS

22.1 **Disclaimer**. You hereby acknowledge that we do not warrant or guarantee to you that you will earn any profit from the Business, or that we will refund all or part of the Initial Fee or the price you pay for the Business or repurchase any of the Products and Services supplied or sold by us, or by a Designated Supplier or Approved Supplier, if you are unsatisfied with the Business. We expressly disclaim the making of any express or implied representations or warranties regarding the sales, earnings, income, profits, Gross Revenues, business or financial success, or value of the Business except as may be provided for in Item 19 of our Franchise Disclosure Document.

22.2 **Your Acknowledgments**. You hereby acknowledge and agree that:

(a) you have had a full and adequate opportunity to read and review this Agreement and to be thoroughly advised of the terms and conditions of this Agreement by an attorney or other personal advisor;

(b) you have had sufficient time to evaluate and investigate the Business System, the financial requirements and the economic and business risks associated with the owning and operating the Business;

(c) you have conducted an independent investigation of the Novus® glass business concept and recognize that the business venture contemplated by this Agreement involves business and economic risks;

(d) the financial, business and economic success of the Business will be primarily dependent on your personal efforts and the efforts of your management and your employees, and on economic conditions in the Territory and in general;

(e) you have not received from us or our agents or Affiliates any estimates, projections, representations, warranties or guaranties, express or implied, regarding actual or potential sales, Gross Revenues, income, profits, earnings, expenses, financial or business success, value of the Business, or other economic matters pertaining to the Business or any other Novus® glass business that were not expressly set forth in our Franchise Disclosure Document that you acknowledge receiving;

(f) except as otherwise expressly stated in this Agreement, any consent or approval required to be obtained from us, or decision to be made by us, may be granted or made by us in our sole and exclusive business judgment, which may take into account our assessment of, among other things, our long-term interests, and the long-term interests of the Business System and the Marks, without regard to its effect on any individual franchisee or the Business. Our judgment shall prevail even in cases where other alternatives may be reasonable, so long as we are intending to benefit or are acting in a way that could benefit the Business System, enhance the value of the Marks, increase customer satisfaction, or minimize possible confusion, brand or location confusion. If our activities or decisions are supported by our business judgment, no court or judge or trier of fact, or any other person reviewing those activities or decisions may substitute his, her or its judgment for our judgment, in recognition of the fact that the long-term goals of a franchise system, and our long-term interests and those of our franchisees taken together, require that we have the latitude to exercise our business judgment in administering, managing and overseeing the Business System.

22.3 **Other Franchisees.** You acknowledge and agree that other franchisees of ours have been or will be granted franchises at different times, different locations, under different economics and in different situations, and you acknowledge that the economics, area of primary responsibility, terms, and conditions of those franchises may vary substantially in form and substance from those contained in this Agreement and that you are not entitled to any amendment of this Agreement or other concessions as a result of such variances.

22.4 **Waiver of Collateral Estoppel.** Each of us agrees that we should each be able to settle, mediate, litigate, arbitrate, or compromise disputes in which we are involved with third parties, without having those disputes directly affect the contract or relationship between us. We and you therefore agree that a decision of an arbitrator or court of law to which one of us is not a party will not prevent the person that

was a party to that action from making similar arguments, or taking similar positions, in any action between us, and we each waive any claim of collateral estoppel we might assert.

22.5 **Receipt of Agreement and Franchise Disclosure Document.** You acknowledge and agree that you received a copy of our Franchise Disclosure Document at least 14 days before you signed this Agreement or paid any money to us.

22.6 **Your Legal Counsel.** You acknowledge and agree that this Agreement is a legal document that grants certain rights to and imposes certain obligations upon you. We have advised you to retain an attorney or other advisor before you sign this Agreement to: (a) review our Franchise Disclosure Document; (b) review this Agreement in detail; (c) review all legal documents, including leases, purchase agreements and construction agreements; (d) review the economics, operations and other business aspects of the business concept; (e) advise you regarding your economic risks, liabilities, obligations and rights under this Agreement; and (f) advise you on Tax issues, financing matters, applicable state and federal laws, health and safety laws, environmental laws, employee issues, insurance, structure of the Business, and other business matters.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, you, your Owners, and we have each signed this Agreement effective as of the day and year appearing on the first page.

"FRANCHISOR"

NOVUS FRANCHISING 2 LLC

By: _____
Its: _____

"FRANCHISEE"

_____
Legal Name of Franchisee

By: _____

_____
Print Name

Its: _____

The Owners signing below hereby agree to comply with all terms and conditions of this Agreement that apply to Owners.

Print Name	Signature	Percent of Ownership Interest

SCHEDULE "A"

GLOSSARY OF DEFINED TERMS

a) "**Abandon**" means any action or inaction on your part that suggests your willingness, desire or intent to discontinue operating the Business under the quality standards, uniformity requirements and the Business System as set forth in this Agreement and the Operations Manual, including your failure to operate the Business for seven consecutive days without our prior written consent.

b) "**Accompanying Equipment Packages**" means the glass repair tools, supplies and equipment, apart from the Initial Equipment Package, that you must purchase from us or from Approved Suppliers for the initial operation of the Business.

c) "**Administrative Expenses**" means all overhead, including salaries for executives, in-house legal counsel, and employees, fringe benefits, commissions, attorneys' fees, accountants' fees, transportation costs, travel expenses, food and lodging, training costs, supplies, marketing costs, long distance telephone calls, and all other overhead expenses.

d) "**AGSC**" has the meanings set forth in Section 9.3(d) of this Agreement.

e) **"AGSC Credit"** is a credit in an amount equal to $3,250, less any travel and other out-of-pocket costs we incur if you want us to provide the Glass Replacement Test outside of our offices, which may be used for product purchases.

f) "**Affiliate**" means any business entity that controls, is controlled by, or is under common control with Franchisor.

g) "**ANSI/AGSC Standards**" means the ANSI/AGRSS 002-2002 Automotive Glass Replacement Safety Standard or subsequent standard established by the Auto Glass Safety Council and the American National Standards Institute.

h) "**Applicable Law**" means federal, state, city, local and municipal laws, ordinances, rules and regulations pertaining to the operation of the Business, including all health and safety laws and regulations, all driving and vehicle laws, all environmental laws, and all employment laws.

i) "**Approved Suppliers**" means those suppliers and distributors that we approve in writing to supply certain Products and Services we specify in the Operations Manual and will include those suppliers and distributors we approve at your request.

j) "**Business**" means the business we license to you under this Agreement.

k) "**Business Asset**s" means (i) the Business, (ii) the Retail Location, (iii) the lease for the Retail Location, (iv) the land and building for the Retail Location, (v) this Agreement, (vi) any leases for vehicles, (vii) the furniture, fixtures, vehicles (not leased from us), supplies, equipment, leasehold improvements and all other assets used in or by the Business; (viii) any Ownership Interests in the Business, and (iv) all of the other contract and lease agreements you have in connection with the operation of the Business.

l) "**Business System**" means the distinctive automotive and other glass repair, replacement and installation Products and Services associated with the Marks, and the business methods, uniformity requirements, defined product offerings, automotive and other glass installation and repair methods, specialized training, standards of quality and service, procedures, specifications and instructions that we establish and modify from time to time.

m) "**Claims and/or Damages**" means all losses, damages, judgments, liabilities, fines, penalties, assessments, and all related expenses, including: (i) damages to real and personal property and damages for loss of use of real and personal property; (ii) damages for lost profits; (iii) special, consequential, exemplary and punitive damages; (iv) personal injury damages; (v) damages resulting from the death of a person or persons, including wrongful death damages; (vi) Costs and Expenses; (vii) amounts paid in settlement of any disputed claims or litigation; (viii) product liability damages; (ix) amounts paid because of any court judgment or court decree, resulting from any civil or criminal claims, demands, allegations, lawsuits, arbitration proceedings, administrative actions or other legal proceedings; and (x) damages assessed under any federal, state or local statutes, rules, regulations or ordinances.

n) "**Competitive Business**" means any business that offers or provides, directly or indirectly, automotive windshield repair or replacement products and services, automotive glass repair or replacement products and services, automotive glass installation products and services, other glass repair, replacement and installation products and services, building contract glazing products and services, and the construction, repair, or replacement of any other glass products, any glass repair products and services, or any glass replacement or installation products and services.

o) "**Confidential Information**" is all information, knowledge, know-how, or trade secrets utilized by or incorporated into the Business System or which concerns your system of operation, Business, customers, programs, services, and practices. Confidential Information includes (without limitation): all elements of the system and all products, services, equipment, technologies, policies, standards, requirements, criteria and procedures that now or in the future are a part of the System; our Operations Manual (as same may be updated from time to time); all specifications, sources of supply, all procedures, systems, techniques and activities employed by us or by you in the offer and sale of products and/or services at or from your Business; all customer lists and records generated and/or otherwise maintained by your Business; additions to, deletions from and modifications and variations of the components of the Business System and the other systems and methods of operations which we employ now or in the future; and, all other information knowledge and know-how which either we or our Affiliates now or in the future designate as confidential.

p) "**Costs and Expenses**" means all costs and expenses incurred in prosecuting or defending any claims or litigation, including court filing fees, witness expenses, deposition costs, investigation expenses, court reporter fees, attorneys' fees, expert witness fees, and travel expenses.

q) "**Designated Supplier**" means the only and exclusive supplier or distributor we approve to supply certain Products and Services we specify in the Operations Manual, including certain windshield repair resins and certain equipment, and may include us or our Affiliate.

r) "**Expiration Date**" has the meaning set forth in Section 3.1 of this Agreement.

s) "**Financial Records**" means financial statements (including all balance sheets and income statements), computer records, bank statements, deposit records, general and special ledgers, sales records, work papers, accounts, federal and state tax returns, financial memos, and other business and financial information relating to the Business.

t) "**Financial Statements**" means a balance sheet, profit and loss statement, statement of cash flow and explanatory footnotes prepared in accordance with generally accepted accounting principles applied on a consistent basis.

u) "**Glass Repair**" means automotive windshield repair Products and Services and all automotive and other glass repair Products and Services.

v) "**Glass Repair and Glass Replacement Products and Services**" means all glass repair products and services offered by the Business in connection with Glass Repair and Glass Replacement.

w) "**Glass Replacement**" means automotive windshield replacement and installation Products and Services and all automotive and other glass replacement and installation Products and Services.

x) "**Gross Revenues**" means the total gross dollar amount received, billed or generated by, in connection with, or from the Business from all cash, credit and charge sales made to your customers or clients for all Products and Services sold to them including all amounts from or relating to Glass Replacement Products and Services, Glass Repair Products and Services, building contract glazing Products and Services, the construction, repair, or replacement of any other glass products, and all other Products and Services of any kind unless we specifically exclude them from the definition of "Gross Revenues" in the Operations Manual or otherwise in writing. "Gross Revenues" includes all sales for Products and Services as of the time that the Products and Services are sold to or completed for your customer or client so as to entitle you to payment, regardless whether or when you receive payment. For purposes of determining "Gross Revenues," there will be no deduction for bad debts or doubtful accounts. However, "Gross Revenues" will not include any sales, use or gross receipts tax imposed by any federal, state, municipal or governmental authority directly upon sales, if (a) the amount of the tax is added to the selling price and is expressly charged to the customer, (b) a specific record is made at the time of each sale of the amount of such tax, and (c) the amount of the tax is paid to the appropriate taxing authority.

y) "**Home Page**" means the home page that we establish for you on our Website.

z) "**Including**" shall mean "including without limitation."

aa) "**Immediate Family**" means an individual Franchisee's (or an Owner's) child (including the spouse of a child), spouse, parent, grandchild or sibling.

bb) "**Initial Equipment Package**" means the Glass Repair and Glass Replacement, supplies and products and equipment we specify that you must lease for the initial operation of the Business.

cc) "**Initial Fee**" has the meaning set forth in subsection 5.1(a) of this Agreement.

dd) "**Initial Franchise Identification Package**" includes an initial supply of decals, invoices, business cards, uniforms, and other logo items you will initially use in the operation of the Business.

ee) "**Initial Glass Repair Training**" has the meaning set forth in Section 9.2 of this Agreement.

ff) "**Initial Glass Replacement Training**" has the meaning set forth in Section 9.3 of this Agreement.

gg) "**Initial Marketing Start-up Package**" will generally include Internet advertising, press releases, business announcements, direct mail advertisements, one or more prospect lists, local area search marketing tools, and other advertising and promotional materials that we deem appropriate.

hh) "**Key Employee**" means a full-time management employee of the Business who has successfully completed all Required Training Programs.

ii) "**Local Advertising Fee**" has the meaning set forth in Section 10.3 of this Agreement.

jj) "**Manager**" means the person who is responsible, on a full-time basis, for the day to day operations and the overall management of the Business.

kk) "**Marketing Contributions**" has the meaning set forth in Section 10.5 of this Agreement.

ll) "**Marks**" means and includes all of the trademarks, service marks, trade names, logos and commercial symbols we own or that are licensed to us that we license to you for use in the Business, including "Novus®", "NOVUS Auto Glass®", "Novus Auto Glass Repair and Replacement®", and "Novus Glass®".

mm) "**Minimum Gross Revenues**" has the meaning set forth in Section 2.9 of this Agreement.

nn) "**Mobile Business**" means a Novus® business operated exclusively from vehicles (and without establishing a Retail Location).

oo) "**New Agreement**" has the meaning set forth in Section 3.2 of this Agreement.

pp) "**Novus Social Media Site**" means any Social Media website, profile or account relating to or making reference to us, to your Business or the Business System, that includes all or part of the "Novus®" name, any of the Marks, or a word, phrase or symbol confusingly similar thereto or a variation thereof, as part of the domain name, user name, account name, account profile or page reference.

qq) "**Operations Manual**" means the confidential manuals we develop that describe the operational standards and specifications, and the service and quality standards associated with the Marks and the Business System, whether distributed in hard copy or electronically or otherwise;

rr) "**Owner**" means any person or entity that has an Ownership Interest in the Franchisee.

ss) "**Ownership Interest**" means: (i) shares of capital stock in the Franchisee, if you are a corporation; (ii) a general partnership interest in the Franchisee, if you are a partnership; (iii)

a membership interest in the Franchisee if you are a limited liability company or a limited liability partnership; and (iv) any other type of membership or other equity interest in the Franchisee.

tt) "**Payments**" means all payments, compensation and/or other remuneration we receive from any Designated Supplier or Approved Supplier for any purchases of Products or Services you and/or any other franchisees of ours make, including payments in the form of: (i) rebates; (ii) volume discounts; (iii) advertising and marketing allowances; (iv) co-operative advertising; (v) price discounts; (vi) signing bonuses or initial payments; (vii) promotions; (viii) co-branding of any products or services; (ix) product development and testing; (x) market research; (xi) public relations; (xii) endorsements of any Products or Services; (xiii) goods or services of any kind; (xiv) administrative contributions; and/or (xv) any other form of benefit or consideration. "**Payments**" also means any payments, compensation and/or other remuneration we receive for attaining sales goals or market share in any market in which we or our franchisees operate.

uu) "**Personal Guarantors**" has the meaning set forth in Section 11.33 of this Agreement.

vv) "**Price and Terms**" has the meaning set forth in Section 14.1 of this Agreement.

ww) "**Products and Services**" means (i) all products and services you sell to customers of the Business, including Glass Repair and Glass Replacement Products and Services, which may include but are not limited to recalibration, upholstery, tinting, wipers, bedliners, headlight restoration, paint protection film, windshield protection film, sunroofs, detailing, and any other products or services which may be developed or offered to customers of the Business in the future, and (ii) all supplies, inventory, equipment and technology you use in the Business, including the Initial Equipment Package, other Glass Repair and Glass Replacement equipment, maintenance kits, drill systems, pumps, sprayers, tools, and all other supplies, equipment and technology we may require you to use in the operation of the Business.

xx) "**Re-Franchise Fee**" has the meaning set forth in subsection 3.2(f) of this Agreement.

yy) "**Required Training Programs**" means the training programs referred to in Sections 9.1, 9.2, 9.3 and 9.6 of this Agreement.

zz) "**Resins and Related Products**" has the meaning set forth in Section 7.4 of this Agreement.

aaa) "**Retail Location**" means real estate at a fixed location within the Territory from which you offer Products and Services to your customers, the address of which is contained in Part 1 of Schedule "B" attached to this Agreement.

bbb) "**Royalty Fee**" has the meaning set forth in Section 5.4(a) of this Agreement.

ccc) "**Sale or Transfer**," "**Sell or Transfer**" and "**Sold or Transferred**" means to sell, assign, trade, give away, transfer, pledge, lease, sub-lease or otherwise dispose of.

ddd) "**Secure Website**" means a password protected Website that we control and is accessible only with our permission.

eee) "**Social Media**" has the meaning set forth in Section 11.26.

fff) "**Taxes**" or "**Tax**" means all federal, state, city and local taxes including individual and corporate income taxes, sales and use taxes, franchise taxes, gross receipts taxes, employee withholding taxes, FICA taxes, unemployment taxes, inventory taxes, personal property taxes, real estate taxes and other taxes you incur in operating the Business.

ggg) "**Term**" has the meaning set forth in Section 3.1 of this Agreement.

hhh) "**Territory**" means the area described in, or outlined on the map attached to, Part 2 of Schedule "B" attached to this Agreement.

iii) "**Website**" means any interactive electronic document, contained in a network of electronic devices linked by communications software.

SCHEDULE "B"

RETAIL LOCATION AND TERRITORY

This Schedule "B" is attached to and is an integral part of the Franchise Agreement for Retail Location dated _____, 20____ (the "Franchise Agreement"), between Franchisor and Franchisee.

Part 1 Retail Location. Franchisor and Franchisee agree that the Retail Location for the Business will be located at the following address within the Territory: **[Add Street, City, State, Zip Code]**

Part 2 Territory. Franchisor and Franchisee agree that the Territory consists of: **[Describe Area or Attached Map]**

Part 3 Defined Terms. All capitalized terms contained in this Schedule "B" not defined herein will have the same meaning as provided in the Franchise Agreement.

Effective Date. This Schedule "B" is effective as of this _____ day of _____, 20___.

"FRANCHISOR"

NOVUS FRANCHISING 2 LLC

By: _____
Its: _____

"FRANCHISEE"

_____
Legal Name of Franchisee

By: _____

_____
Print Name

Its: _____

SCHEDULE "C"

PERSONAL GUARANTY

In consideration for, and to induce Novus Franchising 2 LLC (the "**Franchisor**") to sign the Franchise Agreement to which this Guaranty is attached (the "**Franchise Agreement**"), each person signing this Guaranty, jointly and severally guarantees to the Franchisor and to the Franchisor's successors and assigns the payment of all fees required to be paid to the Franchisor or its Affiliates by the Franchisee identified in the Franchise Agreement, whether provided for in the Franchise Agreement or under any other agreement between the Franchisor and the Franchisee, and the performance by the Franchisee of all of the provisions of such agreements. The people signing this Guaranty also specifically agree to be individually bound by all covenants, obligations and commitments of the Franchisee contained in the Franchise Agreement to the same extent as if each of the people signing this Guaranty had personally signed the Franchise Agreement as Franchisee.

Each of the people signing this Guaranty understand and agree that any modification of the Franchise Agreement, including any addendum or addenda to the Franchise Agreement, or waiver by the Franchisor of the performance by the Franchisee of any of its obligations under the Franchise Agreement, or the giving by the Franchisor of any extension of time for the performance of any of the obligations of the Franchisee under the Franchise Agreement, or any other forbearance on the part of the Franchisor or any failure by the Franchisor to enforce any of its rights under the Franchise Agreement, including any addendum or addenda to the Franchise Agreement, or any release by the Franchisor of any of the obligations of the Franchisees, will not in any way release any of the people signing this Guaranty from liability under this Guaranty or terminate, affect or diminish the validity of this Guaranty, except to the same extent, but only to such extent, that the liability or obligation of the Franchisee is so released, terminated, or affected or diminished. Notice to the people signing this Guaranty of any such modification, waiver, extension or forbearance under the terms thereof is hereby waived.

No defense available to the Franchisee, except the Franchisee's full performance of its obligations, will be a defense for any of the people signing this Personal Guaranty or release of these people from their guarantees. This Guaranty will be enforceable upon 10 days' written notice by the Franchisor to any of the people signing this Guaranty of any default by the Franchisee of any of its covenants under the terms of the Franchise Agreement and addendum or addenda to the Franchise Agreement, and any other agreement between the Franchisor and the Franchisee.

Each of the people signing this Guaranty hereby waive any and all notice of default on the part of the Franchisee; waive exhausting of remedies or recourse against the Franchisee; and consent to any assignment of the Franchise Agreement, in whole or in part, that the Franchisor or its successors may make.

[The remainder of this page is intentionally left blank; signatures on next page]

IN WITNESS WHEREOF, each of the people signing this Guaranty have done so effective as of the date appearing next to their names.

Dated:

Individually

Address

City State Zip Code

Telephone

Dated:

Individually

Address

City State Zip Code

Telephone

SCHEDULE “D”

AUTHORIZATIONS FOR AUTOMATIC BANK TRANSFER

Direct Payment
Minimum Payment/Direct Deposit Form

We are pleased to offer you a new service—the Direct Payment Plan, which, combined with a direct deposit of insurance payments to you, will allow you to have your minimum royalty payment deducted automatically from your checking or savings account, and allow us to directly deposit insurance payments into your account. And, you won't have to change your present banking relationship to take advantage of this service.

The Direct Payment Plan will help you in several ways:

- It saves time – fewer checks to write.
- Helps meet your commitment in a convenient and timely manner – even if you're on vacation or out of town.
- No lost or misplaced statements, your payment is always on time-it helps maintain good credit.
- It saves postage.
- It's easy to sign up for, easy to cancel.
- No late charges.
- Faster receipt of third-party insurance payments you have earned.

Here's how the Direct Payment Plan works:
You authorize regularly scheduled payments to be made from your checking or savings account for your Minimum Monthly Royalty Fee and any other fixed monthly fee you owe us or our affiliates under your franchise agreement. In addition, we will deposit directly into your account your portion of payments we receive for services you perform for national or regional insurance companies, fleet accounts, or other third-party accounts. Then, just sit back and relax. Your royalty payments will be made automatically on the specified day, and your payments will be received automatically on the specified day. And proof of payments and receipts will appear on your statement. The authority you give to charge your account, and make deposits into your account, will remain in effect until you notify us in writing to terminate the authorization. If the amount of any payment you owe to us changes, we will notify you at least 10 days before payment date. The Direct Payment Plan is dependable, flexible, convenient and easy. To take advantage of this service, complete the attached authorization form and return it to us.

All you need to do is:
1. Mark the box before type of account to indicate whether your minimum royalty payment will be deducted from your checking or savings account. Your payments will be deposited into the same account.

2. Fill in your name, financial institution name and location and date.

3. Attach a voided check for verification of all financial institution information. If you are unable to attach the voided check, please fill in your account number and routing number.

NOTE: Be sure to sign the form!

AUTHORIZATION FOR DIRECT PAYMENT/DEPOSIT

I authorize Novus Franchising 2 LLC to initiate electronic debit entries to my:
○ checking account or ○ savings account for payment of _____.
I understand I will receive a notice if the amount changes. I acknowledge that the origination of ACH transactions to my account must comply with the provisions of U.S. law. Direct payments for Minimum and fixed monthly fees will be made on the 10th of the month (or the first business day after the 10th of the month if the 10th falls on a weekend or holiday).

I further authorize Novus Franchising 2 LLC to initiate deposits into this account of any amounts they receive on my behalf for services provided to a national or regional insurance company, fleet account or other account.

This authority will remain in effect until I have cancelled it in writing.

Staple Voided Check Here

Date _____
Financial Institution Name (Please Print) _____
Account Number at Financial Institution _____
Financial Institution Routing/Transit Number _____
Financial Institution City and State _____

Signature _____

PLEASE KEEP A COPY OF THE AUTHORIZATION FOR YOUR RECORDS

Direct Payment
Percentage Royalty and Marketing Contribution Form

We are pleased to offer you a new service—the Direct Payment Plan for percentage royalties and marketing contributions. Now you can have your payments deducted automatically from your checking or savings account. And, you won't have to change your present banking relationship to take advantage of this service.

The Direct Payment Plan will help you in several ways:

- It saves time – fewer checks to write.
- Helps meet your commitment in a convenient and timely manner – even if you're on vacation or out of town.
- No lost or misplaced statements, your payment is always on time-it helps maintain good credit.
- It saves postage.
- It's easy to sign up for, easy to cancel.

Here's how the Direct Payment Plan works:
You authorize regularly scheduled payments to be made from your checking or savings account for percentage royalties and marketing contributions you owe us under your franchise agreement. Then, just sit back and relax. Your payments will be made automatically on the specified day. And proof of payment will appear on your statement. The authority you give to charge your account will remain in effect until you notify us in writing to terminate the authorization. The Direct Payment Plan is dependable, flexible, convenient and easy. To take advantage of this service, complete the attached authorization form and return it to us.

All you need to do is:
1. Mark the box before type of account to indicate whether your payment will be deducted from your checking or savings account.

2. Fill in your name, financial institution name and location and date.

3. Attach a voided check for verification of all financial institution information. If you are unable to attach the voided check, please fill in your account number and routing number.

NOTE: Be sure to sign the form!

AUTHORIZATION FOR DIRECT PAYMENT

I authorize NOVUS Franchising 2 LLC to initiate electronic debit entries to my:

○ checking account or ○ savings account for payment of my percentage royalty and marketing contributions.

I understand I will receive a notice only if the amount is more than $_____ (insert dollar amount).

Direct payments for percentage royalties and marketing contributions will be made on the 10th of the month (or the first business day after the 10th of the month if the 10th falls on a weekend or holiday).

I acknowledge that the origination of ACH transactions to my account must comply with the provisions of U.S. law.

This authority will remain in effect until I have cancelled it in writing.

Staple Voided Check Here

Date _____

Financial Institution Name (Please Print) _____

Account Number at Financial Institution _____

Financial Institution Routing/Transit Number _____

Financial Institution City and State _____

Signature _____

PLEASE KEEP A COPY OF THE AUTHORIZATION FOR YOUR RECORDS.

NOVUS FRANCHISING 2 LLC

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT D-3: NOVUS FRANCHISING 2 LLC FRANCHISE AGREEMENT FOR MOBILE BUSINESS

FRANCHISE AGREEMENT FOR MOBILE BUSINESS

BETWEEN

NOVUS FRANCHISING 2 LLC
Suite 100, 650 Pelham Boulevard
St. Paul, MN 55114
Tel: (952) 944-8000
Fax: (952) 944-2542

AND

[Insert Name, Address and Phone Number of Franchisee]

Territory:

See Schedule "B"

Date of Franchise Agreement
[●], 20●●

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SCHEDULES

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NOVUS GLASS
FRANCHISE AGREEMENT
FOR MOBILE BUSINESS

THIS FRANCHISE AGREEMENT (this "**Agreement**") is made, entered into and effective this _____ day of _____, 20__, by and between Novus Franchising 2 LLC, a Delaware limited liability company (the "**Franchisor**", "**us**" , "**we**" or "**Novus Glass**"), and **[Insert Name of Person or Entity]**, a(n)_____ (the "**Franchisee**," "**you**" or "**your**").

INTRODUCTION

A. We have the right to use and license a business concept under the name "Novus®" and other Marks for operating, franchising, and licensing retail businesses of a distinctive character and quality that specialize in repairing windshields, installing and repairing automotive glass, and installing and repairing other glass products under the Business System.

B. You have told us you want to acquire the right to develop, own, and operate a mobile business under the Marks. You have promised us that you will operate the business under our quality standards, which we may change from time to time, and under the terms and conditions of this Agreement. Based on that promise from you, we are willing to provide you with marketing, technology, design specifications, training, and other business information, "know-how" and specifications that have been developed over time at a significant cost, and to license to you the right to offer products and services under the Marks.

C. You represent to us that, except as set forth in Item 19 of our Franchise Disclosure Document, no employee, agent or representative of our, our Affiliate, or our agents made any oral, written or visual representation or projection to you of actual or potential sales, earnings, or net or gross profits.

In recognition of this Introduction and in consideration of the mutual promises set forth in this Agreement, you and we agree as follows:

ARTICLE 1.
DEFINITIONS AND INTERPRETATION

1.1 **Definitions**. Certain capitalized terms used in this Agreement are defined in Schedule "A", the Glossary of Terms (which is incorporated into this Agreement by reference), or otherwise in the Agreement.

1.2 **Currency**. Unless otherwise indicated, all dollar amounts referred to in this Agreement are in United States Dollars.

1.3 **Headings**. The index to this Agreement and the headings of the Articles or sections hereof are included for reference only and do not form part of this Agreement.

1.4 **Other Interpretative Provisions**.

(a) The term "**you**" or "**Franchisee**" as used in this Agreement applies to one or more individuals, a corporation, company or partnership, as the case may be. References to "**you**," "**Franchisee**," "**assignee**" and "**transferee**" that apply to an individual or individuals will mean

the principal owner or owners of your equity or operating control and any assignee or transferee if you or an assignee or transferee is a corporation, company or partnership.

(b) The word "**including**" means, "including but not limited to", and "including but not by way of limitation."

(c) References to any agreement, contract or plan are to that agreement, contract or plan as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof. Any reference in this Agreement to any person includes its heirs, administrators, executors, legal personal representatives, predecessors, successors and permitted assigns of that person.

(d) The Schedules annexed to this Agreement are incorporated by reference and form a part of this Agreement.

ARTICLE 2.
GRANT OF FRANCHISE

2.1 **Grant**. We hereby grant to you, and you hereby accept from us the right, franchise and license, for the term and upon the terms and conditions hereinafter set forth, to operate the Business from at least one vehicle, as more specifically described in this Agreement, using the Marks (and no other trade name, trademarks, service marks, logos, or commercial symbols), and in conformity with the Business System.

2.2 **Territory**. You will only have the right to use the Marks and the Business System in the Territory. You do not have the right to operate the Business or to solicit or sell any Products and Services under the Marks outside of the Territory, except with our written permission, which we may give or withdraw at our sole discretion. You may not change your Territory without our prior written approval, which approval we may withhold in our sole discretion.

2.3 **Territory Modification Fee.** If we approve a change in your Territory, we will sign an updated version of Schedule "B" with you to set forth the new Territory but the new Territory will not take effect until we have each signed the updated version of Schedule "B," and then only after you pay us a Territory modification fee of $2,500, which fee will be due within 10 days after we approve the new Territory.

2.4 **Independent Relationship**. You are an independent business owner and, as a consequence, there is no employer-employee or principal-agent relationship between us and you. You will not have the right to and will not make any agreements, representations or warranties in our name or on our behalf or represent that our relationship is other than that of franchisor and franchisee. Neither of us will be obligated by or have any liability to the other under any agreements or representations made by the other to any third parties. You shall take all reasonable steps necessary to inform your employees, clients, customers, suppliers, lenders and other business establishments with whom you do business, and the general public, that the Business is independently owned and operated by you.

2.5 **Operation of the Business**.

(a) You have the right to own and operate the Business within your Territory. You must operate at least one vehicle fully equipped to provide Glass Repair and Glass Replacement Products and Services, all other automotive and other glass related Products and Services, and all other Products and Services we prescribe or approve, throughout the Term. Unless we otherwise agree, in our sole discretion, you must lease from us all vehicles you use in the operation of the Business under this Agreement, and you must sign the agreements we require for use of those

vehicles, comply with all terms of those agreements, and pay all fees we require for the use of the vehicles. The vehicles you operate under this Agreement may be operated only in your Territory and you may not solicit business outside your Territory.

(b) You may not operate the Business from any fixed location, whether temporary or permanent. Thus, while you may have a storage facility, you may not sell any Products or Services from a warehouse, storage shed, retail location, or other place of business other than through the vehicles you operate, and you may not allow customers or potential customers on the premises of any storage facility you operate.

(c) If a customer or potential customer requests any glass product or service that you do not offer at your Business, but the product or service is offered at another Novus business within or adjacent to your Territory, then you must refer the customer to another Novus business in accordance with our Manual.

(d) You will be totally and solely responsible for the operation of the Business, and will control, supervise and manage all the employees, agents and independent contractors who work for or with you in the Business. You will be solely responsible for the acts of your employees, agents and independent contractors, and will take all reasonable business actions necessary to ensure that they comply with all federal, state and local laws, rules and regulations. We will not have any right, obligation or responsibility to control, supervise or manage the Business, or your employees, agents or independent contractors.

2.6 **Territorial Protection; Reservation of Rights**. Provided that you are not in default of any provision of this Agreement, we will not operate, nor grant to any other individual, partnership or other entity, any right, franchise or license to operate another Glass Repair and Glass Replacement business, including a mobile business, using the Marks within the Territory; subject, however, to the rights we previously granted prior to the date of this Agreement to any existing franchisees or licensees to operate within the Territory, including the renewal or transfer of those rights. We expressly reserve all rights not granted to you by this Agreement or any area development agreement in effect between us. Accordingly, and without limitation to the foregoing, nothing in this Agreement or at law shall prevent us, our Affiliates, their respective franchisees, licensees or others, from (without compensation to you)::

(a) franchising, licensing, owning, operating, and/or managing Glass Repair and Glass Replacement businesses, including mobile businesses, and other businesses that are operated under the Marks and/or under the Business System, outside of the Territory, even if these businesses compete for customers with the Business;

(b) franchising, licensing, owning, operating, and/or managing other glass repair and glass replacement businesses, both within and outside of the Territory, even if these businesses compete for customers with the Business, so long as they do not use the Marks or the Business System;

(c) selling, licensing or otherwise distributing any Products or Services to third parties who are not Novus businesses through any channel of distribution (including direct marketing, wholesale, infomercials, fleet, Internet, or electronic distribution), even if these third parties compete for customers with the Business; and

(d) purchasing, merging with, acquiring or affiliating with, or being purchased or acquired by, an existing network, chain, entity or any other business, regardless of the locations or territories of such other franchise, chain, entity or other business, both within or outside the

Territory, and, following any such purchase, merger, acquisition or affiliations, operating, owning, franchising, licensing and/or managing those businesses, or be operated, owned, franchised, licensed and/or managed by those businesses, using the Business System, both within or outside the Territory.

2.7 **Business System Modifications**. We reserve the right to make changes to the Operations Manual, the Business System, and the Marks at any time and without prior notice to you. You shall promptly alter any signs, products, business materials, services provided, methods or operation or related items, at your cost and expense, upon receipt of written notice of such change or modification in order to conform with our revised specifications.

2.8 **Scope of Business System Modifications**. You understand and agree that due to changes in competitive circumstances, presently unforeseen changes in the needs of customers, and/or presently unforeseen technological or other innovations, the Business System may not remain static, in order that it best serve the interests of the Franchisor, and its franchisees and the Business System. Accordingly, you expressly understand and agree that we may from time to time change the components of the Business System, including but not limited to: altering the products, services, standards, forms, policies and procedures of the Business System; adding to, deleting from or modifying the programs, products and services that you are authorized to offer and changing or modifying the Marks which may include a re-branding or de-branding of the Business System. You agree to adopt and abide by all such modifications, changes, additions, deletions and alterations at your sole expense.

2.9 **Quarterly Minimum Gross Revenues**. Each quarter during the Term, the Business must attain the following minimum quarterly Gross Revenues for Glass Repair and Glass Replacement Products and Services, respectively (the "**Minimum Gross Revenues**"):

Year of Agreement	
1	$11,250
2	$20,000
3 and each subsequent year	$25,000

A year will be measured from the first day of the month following the month you sign this Agreement. If you have entered this Agreement by way of an option to reacquire, renew or extend, then you must always, during every quarter of the Term, attain the Minimum Gross Revenues applicable to Year 3 in the table above. A "Quarter" will mean three (3) consecutive calendar months, beginning on the date of the first full three months after the date of this Agreement. If you do not generate the Minimum Gross Revenues during any quarter of this Agreement, then we will have the right to terminate this Agreement under the terms of Section 15.1.

2.10 **Conditions**.

(a) You shall operate the Business throughout the Territory in compliance with the terms of this Agreement and in conformity with the Business System for the entire Term.

(b) The rights and privileges we grant to you under this Agreement are personal in nature; you do not have the right to franchise, sub-franchise, license, sublicense or subcontract any of your rights under this Agreement, except as otherwise specifically provided for herein.

(c) You do not have the right to Sell or Transfer this Agreement, your rights under this Agreement, or the Business, except as specifically provided for in this Agreement.

(d) Your non-exclusive personal right to use any of the Marks as the name of the Business and your rights to use the Marks and the Business System will exist only so long as you fully perform and comply with all of the conditions, terms and covenants of this Agreement.

(e) You have the right to use the Marks and the Business System only in the manner we prescribe, direct, and approve in writing, and you shall adopt and use all variations of the Marks we designate from time to time. If, in our judgment, your actions infringe upon or demean the goodwill, uniformity, quality or business standard associated with the Marks or the Business System, then you must, upon written notice from us, immediately modify your use of the Marks or the Business System in the manner we prescribe.

(f) You shall not make any changes or amendments whatsoever to the Marks or the Business System unless we approve those changes in writing.

ARTICLE 3.
TERM AND RE-FRANCHISE RIGHTS

3.1 **Term**. The term of this Agreement will be for 10 years (the "**Term**"), and will begin on the date of this Agreement and end on the date that is 10 years from the date of this Agreement (the "**Expiration Date**").

3.2 **Your Option to Re-Franchise**. At the end of the Term, you will have the option to re-franchise the Business for one additional 10-year term, provided that you have:

(a) given us written notice at least 210 days prior to the end of the Term of your intention to re-franchise the Business;

(b) complied with all of the terms and conditions of this Agreement and with our operating and quality standards throughout the Term;

(c) paid all monetary obligations you owe to us and to our Affiliates before the end of the Term, and have timely paid all those obligations throughout the Term;

(d) agreed in writing to make the reasonable capital expenditures necessary to replace and modernize the equipment, vehicles (to the extent not leased from us), and technology so that the Business conforms to our then-current Business System, and lease from us the vehicles for use in operating the re-franchised Business to the extent required at the time;

(e) signed the form of Franchise Agreement we are then offering to new stand-alone glass repair and replacement franchisees operating as a Mobile Business (the "**New Agreement**"); and

(f) paid us a re-franchise fee of $4,000 (the "**Re-Franchise Fee**") (in lieu of a new Initial Fee).

Provided that you meet all of the conditions set forth above in subsections 3.2(a) to 3.2(f), we will waive our Initial Fee or any new Initial Training Fee. If, at the same time you re-franchise one Novus franchise, you re-franchise other Novus franchises that you own, we will charge you one additional Re-Franchise Fee of $2,500 for each additional franchise you re-franchise at the same time. In any case, you must pay the Re-Franchise Fee at the time you sign the New Agreement. You will also be required to pay the Royalty Fees and all other fees at the rates specified in the New Agreement, and to pay all additional fees required by the terms of the New Agreement. You acknowledge that the terms, conditions, and

economics of the New Agreement may vary in substance and form from the terms, conditions, and economics of this Agreement.

3.3 **Hold-Over Franchise**. If this Agreement expires and is not renewed for any reason, ARTICLE 17 will apply. You acknowledge and agree that if you continue to operate the Business after the Agreement expires without execution and delivery of a New Agreement or an extension of this Agreement, there is no tacit or other renewal of this Agreement, but if we continue to accept the payments provided for under this Agreement, you shall continue to operate the Business on a month to month basis, subject to the applicable terms and conditions of this Agreement, except that during such interim period before a New Agreement is signed, your Royalty Fees will increase by $200 per month. In such case, either you or we may terminate this Agreement one month following the end of the current one month term upon at least one month's prior written notice to the other party.

3.4 **Option to Convert to a Franchise Operating From a Fixed Location**. You may not establish a fixed, retail location from which to operate the Business, or make any sales from a fixed retail location. However, at any time during the Term, you may convert your business from a Mobile Business to one that operates from a fixed location, provided that you:

(a) give us written notice of your desire to convert your Business;

(b) have complied with all of the terms and conditions of this Agreement and with our operating and quality standards throughout the Term;

(c) have timely paid all monetary obligations you owe to us and to our Affiliates throughout the Term;

(d) sign our then-current form of agreement for standalone glass repair and replacement franchisees operating from a fixed location; and

(e) pay to us a $250 conversion fee.

The term of your agreement will be as set forth in your new franchise agreement, and you will also be required to pay the Royalty Fees and all other fees, and any additional fees, at the rates specified in your new franchise agreement, and complete all additional training that may be required under that agreement. You acknowledge that the terms, conditions, and economics of your new franchise agreement will vary in substance and form from the terms, conditions, and economics of this Agreement.

ARTICLE 4.
LICENSING OF MARKS AND BUSINESS SYSTEM TO YOU

4.1 **Ownership of Marks**. We warrant to you that we have the right to: (a) use and license the Marks and the Business System in the United States; and (b) grant you the right to use the Marks and the Business System. Any and all improvements you make relating to the Marks or the Business System will be our sole and absolute property, and we will have the exclusive right to register and protect all such improvements in our name. Your use of the Marks and the Business System, and any goodwill arising from such use, will belong exclusively to us, and you will not be paid anything for those improvements. You shall not take any action to contest the validity of our ownership of, the Marks, the Business System, or the goodwill associated with the Marks or the Business System.

4.2 **Changes or Adverse Claims**. If we decide to change any of the Marks, or if there is any claim by any party that its rights to any or all of the Marks are superior to ours, or if there is a determination by a court that any party's rights to the Marks are superior to ours, then upon written notice from us, you

shall immediately adopt and use the changes and amendments to the Marks that we specify. If so directed, you shall immediately cease using the former Mark, and shall, as soon as reasonably possible, begin using the new Marks or Marks we designate.

4.3 **Defense or Enforcement of Rights to Marks or Business System**. You will have no right to and will not defend or enforce any rights associated with the Marks or the Business System in any court or other proceedings for or against imitation, infringement, prior use or for any other claim or allegation. You must give us prompt and immediate written notice of any and all claims or complaints made against or associated with the Marks and the Business System and shall, without compensation for your time, cooperate in all respects with us in any lawsuits or other proceedings involving the Marks and the Business System. We will have the sole right to conduct any litigation involving the Marks and/or the Business System.

4.4 **Tender of Defense**. If you are named as a defendant or party in any action involving the Marks or the Business System solely because the plaintiff or claimant is alleging that you do not have the right to use the Marks or the Business System, then you may tender the defense of the action to us and we will, at our expense, defend you in the action, provided that you have notified us of the action, and sent us all notices and pleadings you receive concerning the action, within 10 days after you receive them. We will have no other liability to you for any Costs and Expenses that you incur in any litigation involving the Marks and the Business System.

4.5 **Your Right to Participate in Litigation**. Subject to Section 4.3, you may, at your expense and without any obligation on our part to reimburse you for any Costs and Expenses, retain an attorney to represent you individually in all litigation and court proceedings in which you are named as a defendant that involve the Marks or the Business System. However, we will control all litigation involving the Marks and the Business System.

ARTICLE 5.
FEES AND CHARGES

5.1 **Initial Fee**.

(a) *Initial Fee*. You shall pay us an initial fee (the "**Initial Fee**") of $10,500 in consideration for our signing this Agreement.

(b) *Subsequent Franchise*. If you are an existing franchisee operating a Novus franchise in good standing (including current on all fees payable to us, our affiliates, and vendors), you are purchasing an additional Novus franchise under this Agreement, and if the Territory will be a different territory than the territory in your current Novus franchise, then we will reduce the Initial Fee to $5,250.

(c) *Military Service Discount*. If you are an active member of the United States military at the time you sign this Agreement, or have been honorably discharged from the United States military, we will reduce the Initial Fee by $1,000. The Initial Fee for any additional franchises purchased by members of the United States military will be the standard Initial Fee at the time you acquire an additional franchise, without any discount for its military service.

(d) *Timing*. The Initial Fee will be due and payable when you sign this Agreement.

(e) *Non-Refundable*. The Initial Fee will be fully earned by us at the time you sign this Agreement and is not refundable.

5.2 **Initial Training Fee**. You must pay us a nonrefundable training fee of $14,000 (the "**Initial Training Fee**") for the Initial Training Program, the Initial Glass Repair Training and the Initial Glass Replacement Training (collectively the "**Required Training Programs**") as required under ARTICLE 9 of this Agreement.

5.3 **Equipment Packages**. When you sign this Agreement, you must lease the Initial Equipment Package from our Affiliate, and purchase the Accompanying Equipment Packages from us. You shall obtain, pay for and use in the Business, but not offer or sell, those Products and Services, including the Resins and Related Products and the Initial Equipment Package and Accompanying Equipment Packages, that we specify for use but not for sale in the Business, and at all times you shall maintain a minimum inventory of such Products and Services that we specify.

5.4 **Royalty Fees.**

(a) *Amount Payable.* You shall pay to us during the entire Term a non-refundable monthly royalty fee (the "**Royalty Fee**") equal to the greater of: (a) the Minimum Monthly Royalty Fees set forth below in subsection 5.4(b); or (b) 6% of your Gross Revenues from the sale of any and all Products and Services you sell in or from your Business.

(b) *Minimum Monthly Royalty Fees*. Beginning in the 4th month after you sign this Agreement, the minimum monthly royalty fee (the "**Minimum Monthly Royalty Fee**") you must pay us will be $350, which will increase beginning in the 7th month after you sign this Agreement to $500, and will continue at that amount throughout the remainder of the Term. However, if this Agreement is signed (i) as part of a re-franchising, (ii) in connection with the transfer of an existing franchise, , or (iii) as part of a conversion of an existing glass business of another brand to the Novus® Business that will be operating under this Agreement, then beginning in the first month after you sign this Agreement, the Minimum Monthly Royalty Fee will be $500.

(c) *Actual Monthly Royalty Fee*. If the actual monthly Royalty Fees calculated under subsection 5.4(a) are greater than the Minimum Monthly Royalty Fee, then you must pay us the amount of the actual monthly Royalty Fee payable for the month. If the actual monthly Royalty Fees calculated under this subsection 5.4(a) is less than the Minimum Monthly Royalty Fee, then you must pay us the Minimum Monthly Royalty Fee as the Royalty Fee for that month.

5.5 **Timing of Royalty Payments**. All Royalty Fees will be paid in arrears. You shall pay the Minimum Monthly Royalty Fee on the 1st day of each month, and the balance of the Royalty Fee by the 10th day of each month with respect to Gross Revenues from the preceding month. Your failure to pay any of these monthly Royalty Fees to us on a timely basis will be a material breach of this Agreement. Your obligation to pay us the Royalty Fees is absolute and unconditional.

5.6 **Payment Procedures**. You agree and acknowledge that we have instituted an automatic bank transfer system to receive automatic payments of Royalties Fees and any or all payments required pursuant to this Agreement or the Manual. You agree to establish a bank account and to comply with all procedures and to execute the authorizations set forth in the Authorizations for Automatic Bank Transfer documents set forth in Schedule "D" attached hereto and such other forms and authorizations as may be requested or required by us in connection with such automatic bank transfer system. You hereby agree to make all payments required hereunder, including but not limited to all Minimum Monthly Royalty Fees, by automatic bank transfer to the bank account designated by us for such purposes.

5.7 **Late Payment and NSF Charges**. If you fail to timely pay any Royalty Fees or other payments due to us, then we will assess a late payment fee of One Hundred Dollars ($100) for each month that such

Payments are delinquent. In addition, a non-sufficient fund fee of One Hundred Dollars ($100) will be assessed for any uncollected automatic bank transfer which may result from insufficient or uncollected funds.

ARTICLE 6.
OPERATIONS MANUAL AND CONFIDENTIALITY

6.1 **Compliance with Operations Manual**. After you have completed the Initial Training Program, we will provide you with the Operations Manual and all supplements that we may publish from time to time or provide you access to a Secure Website containing the Operations Manual and supplements. In order to protect our reputation and goodwill, and to maintain uniform operating standards under the Marks and the Business System, you shall at all times operate the Business in compliance with our Operations Manual. Notwithstanding the foregoing, if we designate any standards in our Operations Manual as suggested provisions, or as otherwise not mandatory, you are not required to comply with those provisions. You acknowledge that the Operations Manual is designed to protect our standards and systems, and the Marks, and not for the purpose of controlling the day-to-day operation of the Business. Further, any references in the Manual to the operation of the Business from a fixed location shall not apply to you or your Business.

6.2 **Revisions to Operations Manual**. We reserve the right to revise the Operations Manual at any time. You shall conform the Business to all changes and modifications we make to the Operations Manual, including the addition of new Products and Services, within a reasonable time as we determine in our sole discretion. You shall at all times keep the Operations Manual current and up-to-date, and in the event of any dispute, the terms of the master copy of the Operations Manual we maintain, as amended from time to time, will be controlling in all respects. If we publish the Operations Manual on a Secure Website, then the Operations Manual as published will be the master copy and we will not be required to update any hard copy in your possession.

6.3 **Confidentiality**. You acknowledge that the Operations Manual, information regarding the Business System, and all other Confidential Information has been disclosed in the strictest of confidence to you and, accordingly, you shall not, during or after the Term, communicate, disclose, copy, duplicate, reproduce, reverse engineer or use for the benefit of, any person or entity any such Confidential Information, trade secrets, knowledge or know-how concerning the methods of operation which we communicate to you, or that relate to the operation of the Business, including any Confidential Information, trade secrets, knowledge or know-how published on a Secure Website. You will disclose such Confidential Information only to your employees who need such access to operate the Business and have signed a confidentiality agreement in our approved form. Any and all information, knowledge and know-how including drawings, products, processes, trade secrets, formulas, photographs and visual displays of products or processes, including video tapes, CD-ROM, digital recordings, and digitally stored materials, brochures, marketing materials, equipment, technology, methods, procedures, specifications, techniques, teaching methods, computer software programs, systems and other data that we copyright or designate as confidential or proprietary will be deemed confidential and proprietary for the purposes of this Agreement, including the reverse engineering of proprietary Novus® Resins and Related Products.

6.4 **Exclusive Property**. All materials, methods and systems relating to the Business System, including the Operations Manual, photographs and visual displays of products and processes, and all other Confidential Information of ours, and any and all future developments by you of such materials, are and will be our sole and exclusive property, and you hereby assign to us any and all future development by you of such materials, including all goodwill associated with such developments. All of the information we or our Affiliates obtain about the Business and all information in your records or ours concerning the customers of your Business, and all revenues we derive from this information, will also be

our sole and exclusive property. You acknowledge that you have no rights in any of this property, except the right to use that property under this Agreement, and you may at any time during the Term use in the operation of your Business (but for no other purpose), to the extent lawful and at your sole risk and responsibility, any information that you acquire from third parties in operating your Business, such as customer data.

ARTICLE 7.
PRODUCTS AND SERVICES; SUPPLIERS

7.1 **Products and Services**. You acknowledge and agree that:

(a) you shall offer and sell all of the Products and Services we require to be sold as part of the Business System throughout the Term;

(b) you may offer and sell any of the optional Products and Services that we approve to be sold in the Business System;

(c) you shall not, under any circumstances, have the right to offer or sell any Products and Services that we do not authorize in writing or in our Operations Manual;

(d) we may add to or eliminate any of the Products and Services at any time upon notice to you, but if we eliminate any Products, we will give you a reasonable time to liquidate your inventory of those Products;

(e) you shall maintain sufficient inventories of all Products and Services necessary to realize the full economic potential of the Business and will maintain any minimum inventories of Products and Services we specify;

(f) you shall offer for sale those Products and Services we require or approve for sale only on a retail basis (to the end user) and only within your Territory; and

(g) we may require you to purchase certain Products and Services we specify only according to our standards and specifications for such Products and Services, including standards and specifications consisting of only a nationally recognized brand name or specific manufacturer. However, unless we tell you otherwise in this ARTICLE 7, you may purchase these Products and Services from any supplier or distributor. To the extent we do tell you that you cannot purchase certain Products and Services from any supplier, those Products and Services will be available exclusively from us or from our approved suppliers or distributors.

7.2 **Limitations on Sales**. You shall not sell any proprietary Products and Services, including Resins and Related Products, on a wholesale basis (for resale to another retailer or wholesaler) and shall not sell any Products and Services or other products and services under any of the Marks or the Business System: (a) on a retail basis at or from any other location; (b) by means of the Internet (other than from a website we approve), catalogue sales, mail order sales or infomercials; or (c) by any other means or methods of sales or distribution.

7.3 **Pricing of Products and Services**. You have the right to sell the Products and Services to your customers at whatever prices and on whatever terms you determine.

7.4 **Use of Novus Resins**. You acknowledge that we have developed a unique, high quality line of windshield repair resins, equipment and other products to be used in performing windshield repair services ("**Resins and Related Products**"), and that we have developed certain national warranty

programs relating to the quality of windshield repair services provided under the "Novus®" name. You further acknowledge that it is of paramount importance to maintaining the uniform high-quality image for windshield repair services associated by the public with the Marks and Business System that only Resins and Related Products be used by all businesses performing windshield repair services under the "Novus®" name. Therefore, in order to maintain and ensure the quality of the windshield repair services you provide to your customers under the "Novus®" name, and in order for us to allow you to participate in any warranty programs we offer, you shall use only the Resins and Related Products that we designate or approve in writing. You shall not resell any Resins and Related Products to any person or entity without our prior written consent. You hereby acknowledge that breach of this Section 7.4 will be considered a material breach of this Agreement and can result in termination as provided under subsection 15.1(d).

7.5 **Designated Suppliers**. You may only purchase Resins and Related Products from us or from our Designated Supplier. We may require, in our sole discretion, that you purchase certain other Products and Services we specify only from a Designated Supplier. We or our Affiliates may be a Designated Supplier, and the only Designated Supplier, for certain Products and Services. You shall not have the right to substitute any new supplier or distributor for any Designated Supplier or to require us to appoint or approve any new supplier or distributor as a Designated Supplier. We reserve the right to require any Designated Supplier to sign a contract containing terms and conditions acceptable to us, including those relating to pricing, delivery, terms, product availability, economic viability, service and quality and the right to modify at any time the terms or conditions of that contract. We may at any time add or remove a Designated Supplier or add, remove or modify in any manner any requirement that you purchase any given Products and Services only from a Designated Supplier.

7.6 **Approved Suppliers**. We may require, in our sole discretion, that you purchase certain Products and Services we specify only from Approved Suppliers. If you desire to purchase any Products and Services that we require you to purchase from Approved Suppliers from other suppliers and distributors, then you must, at your expense, submit to us samples and specifications, and other business and product information we request, for review and/or product testing to determine whether the supplier or distributor and its Products and Services meet our standards and specifications. We will have the right to inspect the facilities of the proposed supplier or distributor. Within 10 days after being invoiced, you will reimburse us for the costs and expenses we incur to: (a) analyze, review and test the products and/or services and the samples; and (b) conduct an inspection of the facilities of the proposed supplier or distributor, subject to a minimum fee we may set from time to time. We will complete all testing of all products and/or services, and notify you of our determination within 45 days after we receive all of the required information. We will have the right to require any new or existing Approved Supplier to sign a contract containing terms and conditions acceptable to us, including those relating to pricing, delivery, terms, product availability, economic viability, service and quality and the right to modify at any time the terms or conditions of that contract. We may at any time add or remove an Approved Supplier or add, remove or modify in any manner any requirement that you purchase any given Products and Services only from an Approved Supplier.

7.7 **Branding of Products**. Except as we approve in the Operations Manual or otherwise in writing, you shall not under any circumstances have the right to: (a) use or display the Marks on or in connection with any Product and Service; (b) acquire, develop, create, package or manufacture any product using the name "Novus®" or any of the Marks, or direct any other person or entity to do so; (c) acquire, develop or manufacture any product that has been developed or manufactured by or for us for use with the Business System and which is sold under any of the Marks, or direct any other person or entity to do so; or (d) use, have access to, or have any rights to any proprietary formulas or configurations for any Products and Services developed by us or on our behalf.

7.8 **Profit and Payments**. You acknowledge that we or our Affiliates may make a profit on purchases of Products and Services you make from us. You also acknowledge that we or our Affiliates may receive Payments based in whole or in part on purchases of Products and Services you make from a Designated Supplier, Approved Supplier or another third party. Any Payments we or our Affiliates receive from a Designated Supplier, Approved Supplier or other third party as a result of your purchases from any such supplier will be our property and you will not have any right to any portion of those payments.

7.9 **Purchases from Us, Designated Supplier or Approved Supplier**. We and our Affiliates will have the right to change the prices, delivery terms, payment terms, and other terms relating to the Products and Services sold to you without giving you prior notice, and discontinue the sale of any Products and Services for any reason without any liability to you. We and our Affiliates will not be liable to you for the unavailability of Products and Services from us or from a Designated Supplier or Approved Supplier, or for any delay in shipment or receipt of Products and Services from us, or from a Designated Supplier or Approved Supplier due to temporary product shortages, order backlogs, production difficulties, delays, unavailability of transportation, fire, strike, work stoppage, or other causes beyond the control of us or our Affiliates.

7.10 **National or Regional Accounts**. We will promote you for involvement with national or regional accounts with whom we have contacts, including insurance companies and fleet accounts that have business arrangements with us or our affiliates.

(a) If we offer you the opportunity to provide services to a national or regional insurance company, fleet account, or other account in your Territory, you must service the account and comply with all of our procedures for servicing the account. These procedures may include, among others, pricing policies that set the price for services rendered to the account. They may also include payment arrangements that result in the insurance network or account paying us directly, in which case we will remit your portion of the payment to you within thirty (30) days after our receipt of the payment, provided (i) you are current in all your financial obligations to us and to our affiliates, and (ii) you are current in all your financial obligations to all suppliers with which we have a relationship. If you are not current in any of these obligations, we will have the right, but not the obligation, to withhold an amount necessary to bring your obligations current, and we will then remit the balance, if any, to you.

(b) When we provide an account to you, you may be required to sign additional agreements relating to that account, including procedures for servicing and for receiving payments from the account, before you begin servicing the account. If you fail to service the account, or you do not meet any conditions imposed by the account for its service providers, or if the account expresses dissatisfaction with your services, then in addition to any other rights we may have under this Agreement, we have the right to assign the right to service that account in your Territory to another Novus Business, including one owned by us or our Affiliates, or to other service providers.

7.11 **Sharing of Information**. In order to facilitate our ability to manage and improve the Business System, you agree that any supplier or similar provider to your Business may share with us information concerning the Business, at any time, at our request, including but not limited to copies of purchase orders, summaries of purchases and returns, and all correspondence, emails and other communications between you and the supplier. You specifically authorize all suppliers and service providers to provide us such information as we may request.

ARTICLE 8.
OPERATION OF THE BUSINESS

8.1 You shall commence operation of the Business within ninety (90) days from the date of this Agreement. Thereafter, you shall operate the Business, continuously, throughout the Term.

ARTICLE 9.
TRAINING

9.1 **Initial Training**. We will provide an initial training program (the "**Initial Training Program**") for you and one employee you designate (provided your employee takes the training at the same time you do). The Initial Training program will be held at a Novus regional training center in St. Paul, Minnesota, or at another location we designate. The Initial Training Program will include classroom and/or hands-on instruction in basic business operations, understanding the automotive industry, accounting and bookkeeping procedures, reporting requirements, business planning and goal setting, selling and marketing techniques, customer service, quality control, equipment operation and maintenance, conducting sales calls and presentations, and other business, financial and marketing topics we select. If you are not serving as the full-time manager of the Business, the Business must at all times be under the supervision of a full-time manager who has completed the Initial Training Program.

9.2 **Initial Glass Repair Training**. We will provide initial Glass Repair training (the "**Initial Glass Repair Training**") for you and one employee you designate (provided your employee takes the training at the same time you do). The Initial Glass Repair Training will be held in St. Paul, Minnesota, or at another location we designate. It will include classroom and on the job training in Glass Repair, including varieties and types of windshield damage, repair capabilities, the "Novus®" system for Glass Repairs and related services. The Initial Glass Repair Training will last between five and one-half and eight days.

9.3 **Initial Glass Replacement Training**.

(a) We will provide initial Glass Replacement training (the "Initial Glass Replacement Training") for you and one employee you designate (provided your employee takes the training at the same time you do). The Initial Glass Replacement Training will be held at a Novus regional training center. The Initial Glass Replacement Training will include hands-on instruction in glass replacement, understanding the automotive glass replacement industry, quality control, equipment operation and maintenance, and other topics we select.

(b) You hereby acknowledge that you will not become an expert in glass replacement over the course of the Initial Glass Replacement Training program, but will be taught basic techniques and methods and will be provided with criteria for hiring experienced glass replacement installers. The purpose of the Initial Glass Replacement Training is to teach the fundamentals of glass replacement and the glass replacement business. We recommend that you initially hire an experienced glass replacement installer.

(c) The Initial Glass Replacement Training must be completed within 60 days after the Initial Glass Repair Training; provided, however, that if for any reason this training has not been completed within this time period, then you must pay an additional $500 training fee for this Training. The Initial Glass Replacement Training will be for a minimum of two consecutive weeks.

(d) If the principal owner/operator of the Business is an experienced Auto Glass Safety Council ("**AGSC**") certified master auto glass technician who passes our Glass Replacement Test, we will waive the requirement for the Initial Glass Replacement Training, and issue you the AGSC Credit. We will offer the Glass Replacement Test in your Territory, so long as you provide the vehicle and glass for the test, and a site at which the training can be conducted, and you pay our out-of-pocket costs for travel and living expenses in connection with the provision of this training, or you can take it at our offices. If you are not eligible for the AGSC Credit but you have a full-time employee on staff at the time of the opening of the Business who is an experienced AGSC certified master auto glass technician who passes our Glass Replacement Test, we will postpone the training obligation, and if that person remains on staff for one year, we will waive the obligation to attend Glass Replacement Training and issue you the AGSC Credit.

9.4 **Successful Completion of Required Training**. You and your managers, and any other of your employees that we designate must attend and successfully complete the Initial Training Program and the Initial Glass Repair Training within 60 days of the date of this Agreement and before you open the Business or we will have the right to terminate this Agreement under the terms of Section 15.1.

9.5 **On-site Training.** If this is your first Franchise Agreement with us, within 2 months following the commencement of the Business, we will send a member of our training staff to the Territory to provide approximately 1 week of in-the-field training to you. We will, in our sole discretion, determine the manner in which this training will be provided.

9.6 **Annual Programs**. You must attend all national, regional and state meetings we hold. Whether or not you attend any of these programs, you must pay our then-current fee for attendance at one such program each year.

9.7 **Additional Training**. You and your appropriate employees must attend and successfully complete all additional Glass Repair and Glass Replacement and other technical training we require to: (a) improve the quality and standards of Products and Services offered in connection with the Business System; (b) improve the operation of the Business; or (c) maintain the product and service consistency we require. We may also offer optional training programs. You will pay us our then-current training fee for each employee who attends our additional training programs. In addition, you will register with and complete all training and other requirements (including payment of annual fees) to obtain registration from the AGSC indicating that you meet AGSC Standards within 6 months of the registration eligibility, and provide us a copy of the registration within 10 days of your receipt of the certification, and within 10 days of any subsequent request on our part. You will maintain that registration throughout the Term. If you are subject to validation or audit by AGSC, you will provide us with the results of the audit within 10 days after your receipt of those results, and will promptly correct any deficiencies shown in the audit.

9.8 **Payment of Salaries and Expenses, Release of Claims**. You will pay the salaries and travel expenses for yourself and all your employees who attend any required training program. You, for yourself and for all employees who attend the Required Training Programs and any additional training programs we conduct, hereby release and agree to hold us and our officers and directors harmless from and against any and all claims, liability, damages, or causes of action of any nature arising from the participation and attendance by you or any employee of yours in any of the training programs we approve, conduct, or require.

ARTICLE 10.
OPENING ASSISTANCE AND ADVERTISING

10.1 **Opening Assistance**. After you and your employees have successfully completed all required training, we will, if this is your first Franchise Agreement with us, make a representative of ours available to you in the Territory for up to five days to assist you in training your employees, implementing the Business System and evaluating initial business operations. In addition, after you complete your training (or if this is your second or subsequent Franchise Agreement with us then from the date of this Agreement), we will make a representative of ours available to you, by telephone, for 60 days to assist you in implementing the Business System.

10.2 **Initial Marketing and Advertising**. We will provide to you, and you must purchase from us, at the time you sign this Agreement, an Initial Marketing Start-Up Package to assist you in identifying prospective customers and lead referral sources for your business, and in conducting an initial advertising and promotional campaign for the Business.

(a) *Designated Digital Marketing Spend*. You must spend a minimum of Five Hundred Dollars ($500) per month in media placements with our designated digital marketing supplier (the "**Designated Digital Marketing Spend**"). For the first six (6) months of the Term, we will cover the Designated Digital Marketing Spend, however, after the first six (6) months of the Term, you will be fully responsible for the Designated Digital Marketing Spend, and such Designated Digital Marketing Spend will be accounted towards your 4% local advertising obligation under Section 10.3.

10.3 **Local Advertising Obligation**. You will spend at least 4% of your Gross Revenues each calendar quarter for local advertising and to promote the Business in the Territory, and promotional programs we approve. In January of each year, you must provide us with information in a form we request showing the expenditures you made in the previous year on these advertising and promotional and search engine optimization programs. If you did not spend the entire amount we required you to spend in that year, you must submit the difference to us (the "**Local Advertising Fee**"), with your report, and we will add the Local Advertising Fee to our Marketing Fund (discussed in Section 10.5 below). You must receive our prior written approval before placing any advertising, marketing, public relations, telemarketing and promotional materials making use of the Marks. Any advertising or promotional materials we provide to you will be deemed approved. If more than one Novus Glass franchisee or licensee is authorized by us to operate in a particular market we designate that includes all of a portion of the Territory, then we will have the right to require you to become a member of, participate in and contribute to a local cooperative advertising group for that market. The local advertising group will, by the majority vote of its members, determine and carry out approved local advertising and promotion for the benefit of all of the franchisees in the market, and will allocate the costs of local advertising and promotion among the members. Any amounts you contribute to the local advertising group will be accounted towards your 4% local advertising obligation under this Section 10.3. You will not permit any third party to advertise its business, or its products and services, in conjunction with the Business, without obtaining our prior written approval.

10.4 **Telephone and Telephone Directory Listing**. We may require you to obtain local telephone service from us or from a supplier we designate. You acknowledge and agree that we will own the telephone number for the Business. You will continually advertise the Business in the on-line and print Yellow Pages in the Territory under all of the listings we designate or approve. The timing, size, form, content, layout, copy and presentation of all Yellow Pages advertising will conform to our specifications. You will participate in the on-line and print Yellow Pages advertising programs and in such other directory advertising programs as we may specify from time to time. You will pay all costs for Yellow

Pages and other directory advertising. If more than one franchisee is authorized to operate within a particular market we designate that is covered by a single directory, then you will, upon written notice from us, participate in a single cooperative advertisement and prepay your proportionate share of the placement of such cooperative advertisement. All Yellow Page advertising done in accordance with this ARTICLE 10 will qualify as part of the 4% local advertising obligation set forth in Section 10.3.

10.5 **Marketing Contributions and Expenditures**.

(a) You shall pay to us during the entire Term a non-refundable monthly marketing contribution (the "Marketing Contribution") equal to 2% of your Gross Revenues from the sale of any and all Products and Services you sell in or from your business. You shall pay the Marketing Contribution by the 10th day of each month based on Gross Revenues from the preceding month. Your failure to pay us any of these Marketing Contributions on a timely basis will be a material breach of this Agreement. Your obligation to pay us the Marketing Contributions is absolute and unconditional.

(b) We will determine how, where, and when the Marketing Contributions will be spent, including purchasing and paying for product research and development, sales and marketing materials, advertising materials, ad slicks, brochures, and radio and television commercials, services provided by advertising agencies, market research, media time and space advertising (including Internet, radio, television, newspaper, magazine and other print advertising), promotions, development and protection of our Marks, marketing, public relations, telemarketing, the establishment and maintenance of Internet sites promoting our brand, including Social Media sites, sales persons or agencies to represent franchisees, the cost of providing toll-free and other telephone services for the benefit of our franchisees, Administrative Expenses in connection with the Marketing Fund, and other national, regional and local advertising and promotion that we deem appropriate. We will have the absolute right to use the Marketing Fund for advertising, marketing and promoting Glass Replacement services, Glass Repair services, and/or other Products and Services, in any manner or way that we choose, even if you do not offer some of the advertised Products and Services in the Business. We will have no obligation to spend any portion of the Marketing Fund in your Territory. If you request, we will provide you with a report of the Marketing Fund within 120 days after the end of each calendar year.

ARTICLE 11.
QUALITY CONTROL, UNIFORMITY AND STANDARDS

11.1 **Responsibility for Operation of the Business**. The Business will at all times be under the direct supervision of you and your managers. We will have no right or obligation to operate the Business.

11.2 **Business System**. Consistent with our uniformity requirements and quality standards, we or our authorized representative will:

(a) provide you with a written schedule of all supplies, technology and equipment we think is necessary for the operation of the Business;

(b) recommend basic business and accounting procedures for the Business;

(c) periodically review the operation of the Business and render written reports to you as we deem appropriate;

(d) legally protect and enforce the Marks and the Business System for the benefit of all our franchisees and licensees in the manner we deem appropriate; and

(e) upon your reasonable request, render advisory services by telephone or in writing pertaining to the Business System and the operation of the Business as we deem appropriate, reasonable and necessary.

11.3 **Standards of Quality and Service**. We will from time to time publish uniform standards of quality and service for the Business System to protect and maintain (for our benefit and for the benefit of all "Novus®" franchisees) the distinction, goodwill and uniformity represented and symbolized by the Marks and the Business System. You agree to comply with all such standards, which will include replacement of graphics, signage and equipment as necessary to comply with our then current standards.

11.4 **Compliance**. You shall operate the Business and use the Marks and the Business System in compliance with the moral and ethical standards, quality standards, operating procedures, policies, specifications, requirements and instructions we set forth in the Operations Manual, as amended and supplemented from time to time, except as otherwise provided in Section 6.1 of this Agreement. You shall conform to all customer service standards and policies we specify. If we determine that you are not in compliance with our standards, we have the right to send a business coach to your market to assist you in bringing the Business up to our standards. If we send a coach to you, or if you request such assistance and we agree to provide it, you must pay us our then current charge for this service, plus our travel expenses.

11.5 **Identification of Business**. You shall operate the Business so that it is clearly identified and advertised under the Marks we specify. The style and form of the word "Novus®" and the Marks you use in your advertising, marketing, public relations, telemarketing, or promotional programs or campaigns, including but not limited to any Internet website, or Social Media Site, must be consistent with the quality and general overall advertising and promotional campaigns being utilized in conjunction with the Marks and must comply with our specifications as set forth in the Operations Manual or otherwise. Further, you agree that you shall:

(a) use the name "Novus®", the Marks, the approved logo and all graphics commonly associated with the Business System on all advertising, public relations and promotional materials, including but not limited to the Home Page or any Social Media Site, signage, vehicles, checks, stationery, paper supplies, business cards and other materials in the identical combination and manner we specify;

(b) purchase from us, at the time you sign this Agreement, an Initial Franchise Identification Package;

(c) not use or advertise any name or mark other than the Marks, and your individual or corporate name, on any vehicles or materials you use in the Business, and not use all or part of the "Novus®" name, any of the other Marks, or any similar name, word or symbol or variant thereof, in a domain name, account name, profile or URL, except as specifically approved by us;

(d) you shall only advertise and promote the Business in a manner that will reflect favorably on us, the Business System, the Marks, the Products and Services, and the good name, goodwill and reputation thereof, and in a manner intended to develop customer confidence in the Franchisee;

(e) you shall at all times use then-current Marks, and any other identifying names and marks which we instruct you to so use; and

(f) at your expense, comply with all trademark, trade name, service mark, copyright, patent and other registration notices and notice markings that we require or that are required by applicable law.

If you fail to comply with any of our brand identity standards, and do not correct your noncompliance within 10 days after notice, then in addition to any other rights we may have, we may charge you a branding non-compliance fee, of up to $500 per month, until you comply.

11.6 **Legal Entity**. If you are an entity, you represent and warrant that you were duly formed and are in good standing under applicable laws. You may not include "Novus®" or the Marks or any words confusingly similar as part of your legal name nor use "Novus®" or the Marks to secure any domain name with our prior written consent. Additionally, you agree that you may not use nor post "Novus®" or the Marks, nor any derivatives thereof on any webpage, Social Media site, blog or other publication without our prior written approval.

11.7 **Signage**. You shall purchase, install and display on your vehicles (to the extent not leased from us), at your expense, all signs, posters, displays, decals, point of sale materials, and similar items as we may prescribe from time to time (and not others without our prior written consent) and will maintain same in a state of good repair and maintenance. If you fail to install the required signage in the month you begin operating your business, you must pay us an additional branding non-compliance fee of $500 per month on the first day of each subsequent month, until the signage has been installed. You agree not alter or redesign the signage without our prior written approval.

11.8 **Maintenance and Cleanliness**. You shall, at your expense, maintain your vehicles, and the equipment and technology used in the Business in a high degree of cleanliness, tidiness, repair, safety and condition, and make all additions, alterations, repairs and replacements as may be reasonably required for that purpose or as may be required by us. The Products and Services, vehicles (including all graphics on the vehicles), equipment, technology, supplies and other items you use in the Business must conform to the quality standards, specifications and uniformity requirements we establish from time to time.

11.9 **Participation in Warranty Programs**. You shall offer to the customers of the Business, and participate in, all product and service warranty programs we establish. You shall also participate in the "warranty reciprocity program" and shall accept and abide by all requirements and limits on warranty compensation we establish. You shall reimburse any other franchised or company-owned Novus business that satisfies any warranty or guaranty on work performed by you for the cost of all replacement parts and the labor charges we establish from time to time. You shall submit to us written claims for warranty work you perform that result from Products and Services provided by other franchised or company-owned businesses. We will use reasonable efforts to timely notify you if you will not be reimbursed for providing warranty work.

11.10 **Intentionally omitted.**

11.11 **Customer Records**. In order to comply with applicable federal and state laws, including any glass or other product recalls required by law, and to properly process warranty claims for customers who have purchased products and services from you or from other franchisees, you shall maintain complete and accurate records of all sales and service for all products and services sold to your customers. You shall, upon written request from us, provide us with: (a) the name, address, city, state, zip code and telephone number for each of your customers, together with a complete description of the products and services purchased by the customer, including, if applicable, brand and model numbers; (b) all warranty cards received from your customers; (c) any other customer information we require to comply with applicable laws or to provide required product or service information; and (d) all other reports we require,

including accurate records for all customer service and repair calls made by you for any Products and Services.

11.12 **Our Right to Review**. We or our representatives will have the right at all times to inspect: (a) your vehicles; and (b) your inventory. We also have the right to review your business records (including your network records) and to examine your operating practices to determine whether they meet our quality and service standards and to confirm your compliance with this Agreement. You authorize all third parties that maintain any of your business records to give us access to them for the purposes set forth in the preceding sentence. We have the right to take photographs, and make video, digital and/or audio recordings during any inspection we make. We also may interview and otherwise communicate with customers of the Business. We expect you and your staff to co-operate fully with such inspection. You are responsible for obtaining any consents required in carrying out the obligations of this Section 11.12.

11.13 **Intentionally omitted**.

11.14 **Compliance with Applicable Laws**. You shall, at your expense, comply with all Applicable Laws. You shall, at your expense, be responsible for determining all drivers and other licenses and permits required by Applicable Law for the Business and for your employees, for obtaining all licenses and permits, and for complying with all Applicable Laws.

11.15 **Payment of Taxes and Other Obligations**. You shall be responsible for the prompt filing and payment of all Taxes. You shall timely pay all of your liquidated obligations and liabilities due and payable to us, and to your suppliers, lessors and other creditors, including obligations to pay suppliers for Products and Services.

11.16 **Reimbursement of Our Taxes**. We will pay our own corporate income and other taxes. However, if any "franchise" or other tax that is based on the Gross Revenues, receipts, sales, business activities or operation of the Business ("**franchise tax**") is imposed upon us by any taxing authority (including any sales, income or related tax imposed upon us by the state in which the Business is located as a result of any royalties or other fees you pay to us), then you will, upon receiving written notice, reimburse us in an amount equal to the amount of the tax and related costs imposed on us.

11.17 **Uniforms**. You and your employees will wear the uniforms and standard attire we specify, and maintain those uniforms in a clean condition. You will assure that all employees practice good personal hygiene.

11.18 **Business Hours**. The Business will be open for business (at a minimum) from 8:00 a.m. to 5:00 p.m. Monday through Friday, or during such other minimum business hours we specify.

11.19 **Employees**. You are responsible for recruiting, hiring and training all persons employed to operate the Business. It is your responsibility to determine who you hire, how to compensate them, the terms of their employment and working conditions, when and how to discipline those individuals, and when and how to terminate their employment. It is also your obligation to supervise these people, to set their work schedules, and to maintain their employment records, and to perform all administrative functions for the Business related to the employment of your personnel. You will inform your employees that they are your employees and not our employees or agents. We will have no right to direct your employees.

11.20 **Operation of Business by Trained Personnel.** When you or your Manager are not on duty, you will have at least one employee on duty that has successfully completed the Required Training Programs necessary to be certified by us as "Factory Trained." At least half of your employees must at all times

have successfully completed the training required to be certified by us as "**Factory Trained**." You will at all times have at least one full-time employee (who may be the Franchisee if the Franchisee is an individual) who has successfully completed all the Required Training Programs. You will at all times have a sufficient number of adequately trained and competent personnel on duty to guarantee efficient service to your customers and clients to comply with our customer service standards.

11.21 **Security Interest**. To secure the payment of the fees and your obligations set forth herein, you grant us security interest in the receivables, inventory, equipment, and other assets of the Business, whether now existing or hereinafter created, together with all proceeds of such assets. You authorize us to file one or more financing statements to evidence this security interest. This Agreement and the franchise granted to you under this Agreement may not be the subject of a security interest, lien, levy, attachment or execution by your creditors or any financial institution, except with our prior written approval.

11.22 **Notices of Default, Lawsuits or Other Claims**. You shall immediately deliver to us a copy of any notice of default you receive from any mortgagee, trustee under any deed of trust, contract for deed holder, lessor or any other party related to the Business and copies of all lawsuits, consumer claims, employee claims, federal or state administrative proceedings or investigations, and other claims, actions or proceedings relating to the Business. You will provide us all additional information we request regarding any of those matters.

11.23 **Office Equipment, Computer Hardware and Software**. You must purchase a laptop computer and printer for use in your Business. We will install the necessary software and set up the computer for you. You may not use this computer or printer for any purpose other than to operate the Business. You must also obtain and maintain during the Term such office equipment and software as we may from time to time require you to use in operating the Business, including: (a) photocopy equipment; (b) a point of sale and accounting software package to perform customer and inventory management, data processing, and accounting functions; (c) computer hardware and peripheral equipment necessary to operate the point of sale and accounting software; and (d) the computer software necessary to provide the Products and Services we specify. You will, upon written notice from us, upgrade all computer equipment and all point of sale and accounting software used in the Business to the standards and specifications we specify. All office equipment and software must meet our standards and specifications.

11.24 **Telephone Equipment**. You must obtain and maintain during the Term such wireless communication devices as we may from time to time require you to use in the Business, which must meet the standards and specifications we specify. During the minimum business hours we specify, incoming telephone calls received by the Business must either be answered live by you or an employee, or by a telephone service that is answered by a person who is properly trained to schedule jobs and appointments and take messages for the Business.

11.25 **Internet and E-Mail**. You must have high speed internet access at all times during the Term. We will provide one e-mail address to you for you to use in the operation of the Business, at no additional charge. You must use this e-mail address in the operation of the Business, and you may not separately establish any other e-mail addresses for the Business. If, however, you do want additional e-mail addresses, we will provide them to you at an additional cost of $25 each, or such other then current amount that we may charge our franchisees. Except as set forth in the Operations Manual, you shall not use the word "Novus®" or any of the other Marks as any part of your e-mail address. You must review your e-mail at least once during every business day and use reasonable efforts to respond to all e-mails from our employees and executives within 24 hours during business days and within 36 hours during weekends and holidays.

11.26 **Home Page and Social Media**. We will establish a Home Page for the Business on a Novus Glass® website we designate. At our discretion, we may require you to pay us an ongoing monthly maintenance fee to maintain the Home Page. You shall comply with the standards and procedures developed by us for the Business System, in the manner we direct in the Manual or otherwise, with regard to your authorization to use, and use of, blogs, common social networks (such as Facebook® or Instagram®), professional networks (such as Linked-In®), live blogging tools (such as Twitter®), virtual worlds, file, audio and video sharing sites and other similar social networking media or tools (together, "**Social Media**") that in any way references the Marks or involves the Business System or the Business. You must notify us by email to our designated email account of any negative reviews or feedback related to the Business on any Social Media site upon 48 hours of discovery. You also acknowledge that we may impose prohibitions from time to time on your posting or blogging on Social Media of comments about us, the Marks, the Business System or the Business.

11.27 **Claims Referral and Marketing Programs**. From time to time, we may prescribe glass repair and/or glass replacement referral or marketing programs to you, whether Internet based or otherwise, including networks and services operated by our affiliates that refer claims to our franchisees and other independent-owned glass businesses, and we may require that you participate in these programs (and sign all agreements and pay all fees associated with such participation), and you agree to do so.

11.28 **Intentionally omitted.**

11.29 **Competitive Market Data.** You agree to participate in any industry surveys, customer surveys, customer experience reports or compilations of competitive market data that we may require in our sole discretion at your expense.

11.30 **Entity Requirements Regarding Formation Documents**. If you operate as an entity, you must, at our request, provide us a copy of your Articles of Incorporation, Articles of Organization or other documents required by state law to form your entity.

11.31 **Subcontracting**. You may subcontract Glass Replacement services only (not Glass Repair services) if you have obtained our prior written approval, which will be granted in our sole and absolute discretion, and which approval may be withdrawn at any time upon 10 days written notice to you. You must obtain our approval for each and every subcontractor to whom you wish to subcontract Glass Replacement services. If you do subcontract any Glass Replacement services, by doing so you agree that any and all subcontracting will be conducted only pursuant to the terms of this Agreement and will be subject to any and all rules and requirements regarding subcontracting that we establish from time to time, including but not limited to rules and regulations contained in our Operations Manual. In addition, you agree that you will be solely responsible for all invoicing and collection of payments related to any subcontracting of services, and you will continue to be directly responsible to us for all amounts under this Agreement as if you had performed such Glass Replacement services yourself. You must have obtained from all approved subcontractors adequate proof of worker's compensation insurance coverage in accordance with the statutory requirements of the state in which you are domiciled and in which the services are performed. If at any time you subcontract Glass Replacement services for which you have not obtained our prior approval (or any Glass Repair services), it will be considered a breach of a material provision of this Agreement, and we will have the right to terminate this Agreement in accordance with Section 15.1(c).

11.32 **Photographs and Recordings of Your Business**. We have the right, at any time, to photograph, and make video and other recordings of any aspect of the Business, including associated vehicles and signage, and to use such photographs, videos and other recordings in any advertising and promotional material, in any form or medium now existing or later developed. We may use these items without

providing notice to you or receiving your consent, and we will not be obligated to make attribution or to compensate you for their use. At our request, you will cooperate with us in taking and arranging for such photographs, videos and other recordings, and for obtaining the necessary consents of or assignments from individuals depicted in or involved in such photographs, videos and other recordings. You irrevocably assign to us all of your right, title, and interest, if any, in and to all such photographs, videos and other recordings, together with all related intellectual property rights.

11.33 **Personal Guaranty**. If you are an entity, all persons with a direct or indirect Ownership Interest in you that we designate (collectively, the "**Personal Guarantors**") must sign the Personal Guaranty attached as Schedule "C" to this Agreement.

ARTICLE 12.
INSURANCE

12.1 **General Liability Insurance**. You must purchase and maintain general liability insurance with coverage of at least $5,000,000 insuring you and your officers, directors, agents and employees, from and against any and all loss, liability, damage, claim and expense of any kind whatsoever, including bodily injury, personal injury, death, property damage, products liability and all other damages resulting from: (a) the condition, operation, use, business or occupancy of the Business and (b) the operation of any customer's vehicle by any of your employees.

12.2 **Garage Keepers Liability Insurance**. You must purchase and maintain garage keepers insurance with coverage of at least the amounts set forth below insuring you and your officers, directors, agents and employees, from and against any and all loss, liability, damage, claim and expense of any kind whatsoever, including personal injury, death, property damage, fire and theft caused to any customer's vehicle in your care, custody and control as a result of fire, explosion, theft, vandalism, riot and civil commotion, and collision. The garage keepers insurance coverage must be written on a direct primary basis and be at least the greater of: (i) the full value of the vehicle under your care, custody and control; or (ii) the maximum value of the type of vehicles that you usually service.

12.3 **Vehicle Insurance**. You must purchase and maintain from our designated insurance provider the following minimum levels of insurance coverage for each vehicle you lease from us: (i) comprehensive fire and theft coverage with a maximum deductible of $1,000, (ii) collision coverage with a maximum deductible of $1,000, (iii) automobile liability insurance with minimum limits for bodily injury or death of $2,000,000 for any one person and $2,000,000 for any one accident and $100,000 for property damage, or $2,000,000 combined single limit, insuring you and your officers, directors, agents and employees, from any and all loss, liability, damage, claim and expense of any kind whatsoever resulting from the use, operation or maintenance of the vehicle, (iv) GAP insurance of at least the minimum amount we specify, and (v) any other minimum insurance we specify. If offered, you will also have adequate uninsured motorist insurance coverage. To the extent you are not required to lease the vehicles you use in the operation of the Business from us, or for any other automobiles or vehicles owned or used by you or any of your employees (including automobiles owned or leased by any of your employees) in connection with the Business and not leased from us, you must purchase and maintain vehicle/automobile insurance coverage that meets the foregoing minimum requirements.

12.4 **Property Insurance, Fire and Extended Coverage**. You must purchase and maintain "all risks" property insurance coverage, which must include fire and extended coverage, vandalism and malicious mischief coverage, and garage keepers' coverage for inventory, machinery and equipment you own or lease for the Business, including flood, quake, sewer-backup and boiler and machinery coverage.

Your property insurance policy (including fire and extended coverage) must have coverage limits of at least "replacement" cost.

12.5 **Umbrella Liability Coverage**. You must purchase and maintain umbrella liability insurance in the minimum amount of $1,000,000 that will provide additional liability insurance coverage for any liability incurred by you in excess of the primary liability insurance coverage you carry under your general liability insurance, vehicle liability insurance and employer's liability insurance policies.

12.6 **Worker's Compensation Insurance**. You must purchase and maintain worker's compensation insurance covering your employees who are injured in the course of employment, as well as employer's liability insurance having primary limits of $500,000 covering bodily injury by disease per employee, $1,000,000 covering bodily injury by disease in aggregate, and $500,000 covering bodily injury by accident.

12.7 **Environmental Liability Insurance**. You must purchase and maintain environmental liability insurance in an amount no less than $1,000,000 per claim and in the annual aggregate covering you for garage operation and premises exploitation and activities under this Agreement. This insurance shall cover pollution conditions resulting from the Services furnished by you during the policy period that result in bodily injury, property damage or which necessitate clean-up or remediation or rehabilitation of property.

12.8 **Other Insurance**. The insurance coverage set forth in this Article only describes the minimum insurance we require you to obtain. It is your obligation to determine whether you need to carry other insurance, or higher levels of insurance either by law or because of the nature of your business or any contract you have signed. We also have the right to require you to obtain additional insurance coverage.

12.9 **Our Rights**. All insurance policies we require you to obtain must name us as an additional named insured, and provide that we will receive copies of all notices of changes in these policies, or cancellation, nonrenewal, or coverage reduction or elimination, at least 30 days before any cancellation, nonrenewal or change takes effect. Before operating the Business, and immediately after changing any insurance coverage, you must provide us with certificates of insurance confirming you have obtained all the insurance coverage we require. If you fail to maintain the insurance coverage we require, or fail to timely provide us evidence of this coverage, we have the right, but not the obligation, to obtain the required insurance coverage. You will promptly sign all applications and other documents required to obtain the required insurance, and will, upon receipt of an invoice, immediately reimburse us for the cost of obtaining the required insurance. All policies shall indemnify and hold harmless us and contain a waiver of subrogation clause, cross liability, severability of interest and be primary and non-contributory.

ARTICLE 13.
FINANCIAL STATEMENTS AND REPORTING

13.1 **Financial Statements**. You must give us semi-annual and annual Financial Statements for the Business within 90 days after: (a) the end of each semi-annual period; and (b) your fiscal year-end. All Financial Statements you provide to us must be prepared using a chart of accounts and format we specify.

13.2 **Verification of Financial Statements**. If your annual or semi-annual Financial Statements are not prepared by an independent certified public accountant, then you (if you do not operate as an entity), or your senior executive officer, must certify the accuracy and completeness of the financial statements.

13.3 **Gross Revenues Report**. You must maintain an accurate written record of the daily Gross Revenues for the Business. By the 10th day of each month, you must give us a signed statement of the

Gross Revenues generated by the Business (the "**Gross Revenues Report**") in the preceding month, using the forms we specify. At our request and at your sole cost and expense, you agree to swear to the truth of such Gross Revenues Report by means of affidavit executed before a Notary Public. A late payment fee of Twenty-Five Dollars ($25) will be assessed for any Gross Revenues Report that is not submitted when due.

13.4 **Our Audit and Review Rights**. We have the right at any time to review and audit your Financial Records for the last five fiscal years. The review may be conducted by an employee of ours or by other people we designate. If we elect to proceed with an audit of your Financial Records, then the audit will be conducted by an outside public accounting firm. You and your accountants will make all of your Financial Records available to us for review and audit at the place specified in Section 20.16 for notice to you. You shall also provide our representative(s) with adequate facilities to conduct the review and audit. We and our representatives will have the right to make copies of all or any of the Financial Records and to copy and duplicate all Financial Records on your computer system. You should expect to have your Financial Records reviewed and/or audited by us at least once every five years. You shall at all times store and maintain the Financial Records in a dry, safe and secure place. We will provide you with a written copy of the report prepared by the reviewer or auditor.

13.5 **Audit/Review Costs**. If our audit or review results in a determination that you have overpaid monthly Royalty Fees or other amounts due to us, the amount of the overpayment will be refunded to you within 20 days from the date of the report. If our audit or review results in a determination that you underpaid us, then you shall, within 20 days of receipt of an invoice, pay us the amount of all past due monthly Royalty Fees and other amounts owed to us, together with late payment charges as provided for in this Agreement. If our audit or review results in a determination that you underpaid the monthly Royalty Fees by more than $500 during any 12 month period, then you must reimburse us for all Costs and Expenses we incurred in connection with the review and audit of your Financial Records, including payments made to an accounting firm conducting the review or audit and the salaries and travel expenses incurred by our employees who were involved with or conducting the audit or review. If we have someone other than an outside accounting firm review your Financial Records under Section 13.4 and the review shows an underpayment of the monthly Royalty Fees by more than $500 during any 12 month period, you may contest the review and request an audit by an outside public accounting firm. You must pay for the audit by the outside public accounting firm, but if the audit reveals that you did not underpay the monthly Royalty Fees by more than $500 during any 12-month period, then we will reimburse you for the cost of the audit.

ARTICLE 14.
TRANSFERABILITY OF INTEREST

14.1 **Our Right of First Refusal**. You shall not Sell or Transfer any interest in or any part of the Business Assets to any person or entity without first offering the same price and terms to us in a written offer that contains all material terms and conditions of the proposed transaction ("**Price and Terms**"). This provision will not apply to (i) the Sale or Transfer of Business Assets (with the exception of this Agreement) by you to a bank, financial institution or other recognized commercial lender in connection with the financing of the leasehold improvements, furniture, fixtures, supplies and equipment, and/or the real estate and building used in the Business, (ii) a Sale or Transfer of any Ownership Interest to a member of your Immediate Family, (iii) the Sale or Transfer of any Ownership Interest to a Key Employee following your death, or (iv) a Sale or Transfer of any inventory of the Business to the extent the Sale or Transfer occurred in the normal course of business and is not otherwise part of a Sale or Transfer of any other Business Assets. Our failure to exercise our rights under this Section 14.1 shall not affect our rights to consent to a transfer as set forth in Section 14.9.

14.2 **Notice of Proposed Sale**. If we request additional information concerning the Business or the Price and Terms, you shall immediately provide us with all other information pertaining to the Sale or Transfer, the Business Assets and the Price and Terms that we request. Once we receive this information, we will have 15 business days to notify you that we are exercising our right of first refusal to purchase the Business Assets according to the Price and Terms, except that we will have the right to substitute equivalent cash for any non-cash consideration included in the offer. If we waive our right of first refusal, then you will have the right to complete the Sale or Transfer of the Business Assets according to the Price and Terms, however, the Sale or Transfer must still comply with the terms and conditions of Section 14.9. However, if you do not complete the Sale or Transfer on the Price and Terms previously presented to us within 45 days after we waived our right of first refusal (either because you did not complete the sale within that time period, or because you changed the Price and Terms), then before you can complete a Sale or Transfer, you must comply again with our right of first refusal as set forth in this ARTICLE 14. If we waive our right of first refusal or reject your written offer to Sell or Transfer the Business Assets, that will not change your obligations to us, or relieve you of your obligations under this Agreement, and the terms and conditions of this Agreement will remain in full force and effect.

14.3 **Administrative Expenses**. If you notify us of your intent to Sell or Transfer the Business Assets and we state our interest in acquiring the Business Assets under Section 14.2 above, and if you subsequently determine not to Sell or Transfer the Business Assets, then you must reimburse us for all Administrative Expenses we incurred in evaluating the proposed transaction and attempting to acquire the Business Assets.

14.4 **Transfer of Ownership Interest by Franchisee's Owners**. You acknowledge that an Ownership Interest is included within the definition of Business Assets, and therefore no Ownership Interest may be sold without first complying with the provisions of this ARTICLE 14. However, each of your Owners may Sell or Transfer their Ownership Interest to: (i) members of his or her Immediate Family; (ii) any trust established for the members of his or her Immediate Family during his or her lifetime or upon death; or (iii) a Key Employee of yours upon death, without first offering it to us. The Owner must still give us 10 days prior written notice of any proposed Sale or Transfer. The transferee owner must agree to personally guarantee this Agreement. Each proposed transferee owner who will be involved in the operation or management of the Business must also successfully complete the Required Training Programs. All Ownership Interests you issue to your Owners must bear the following legend:

> "*The Ownership Interest represented by this certificate is subject to a written Franchise Agreement which grants Novus Franchising 2 LLC the right of first refusal to purchase the Ownership Interest from the Owner. Any person acquiring the Ownership Interest represented by this certificate will be subject to the terms and conditions of the Franchise Agreement which includes provisions containing covenants not to compete that apply to all Owners.*"

14.5 **Selling Owners Subject to Covenant Not to Compete**. Any Owner that Sells or Transfers any Ownership Interest in the Franchisee will be subject to the provisions of Section 18.3 of this Agreement after the Sale or Transfer.

14.6 **Our Right to Purchase Business Assets Upon Expiration.** If this Agreement expires at the end of its term and you do not exercise your option to re-franchise as provided in Section 3.2, then we will have the right, but not the obligation, to purchase all of the Business Assets, except for the Ownership Interests, in accordance with the provisions of this Section 14.6. Within 24 hours after this Agreement expires, you must give us written notice listing the cost and asking price for each one of the Business Assets. If you fail to give us notice of the cost and asking price for the Business Assets, or if we do not agree with your asking price, and you and we cannot agree on the price of the Business Assets, then either you or we will have the right to demand that the price of the Business Assets be determined by arbitration

in accordance with the Code of Procedure of the National Arbitration Forum, Post Office Box 50191, Minneapolis, Minnesota 55405 (www.arb-forum.com), 1-800-474-2371. The arbitrator will not consider any value for goodwill associated with the name "Novus®" in determining the fair market value of the Business Assets since the right of purchase granted to us by this Section 14.6 only applies after this Agreement has expired. If the arbitrator is unable to determine the fair market value of any of the Business Assets, then they will be valued at book value (cost less depreciation). We will have the right, but not the obligation, to purchase any or all of the Business Assets from you for cash within 20 days after the fair market value of the Business Assets has been established by the arbitrator in writing. However, we would also still have the right, whether or not we purchase the Business Assets, to recover any damages caused by any breach of this Agreement on your part, or any wrongful termination of this Agreement on your part, and we have the right to enforce all post-termination obligations you have in this Agreement, including the covenants not to compete contained in Section 18.3.

14.7 **Our Right to Purchase Business Assets Upon Termination**. If this Agreement is terminated by either of us for any reason whatsoever, prior to its scheduled expiration, or if you at any time cease to do business in your Territory, then we will have the right, but not the obligation, to purchase all of the Business Assets, except for the Ownership Interests, in accordance with the provisions of this Section 14.7. Within 24 hours after this Agreement is terminated, or after you stop operating the Business, you must give us written notice listing the cost and asking price for each one of the Business Assets. If you fail to give us notice of the cost and asking price for the Business Assets, or if we do not agree with your asking price, and you and we cannot agree on the price of the Business Assets, then we may purchase any or all of the Business Assets on the following terms:

(a) We may purchase any vehicles you were using in the Business (and not leased from us) for a price equal to the most recent NADA wholesale value of those vehicles, as published 30 days prior to the date of termination;

(b) We may purchase any new or unused business inventory at the lower of your cost or market value, including the cost of freight;

(c) We may purchase any equipment used in the Business at a price equal to its depreciated book value using a straight line depreciation over a period of five years, but with an aggregate price of not less than $1.00;

(d) We may purchase all goodwill, books and records, intellectual property, and all other intangible assets of the Business for $1.00;

(e) We may purchase all office supplies and other tangible assets of the Business at fair market value, not to exceed an aggregate of $100.00;

(f) We may purchase all accounts receivable of the Business as of the closing date at a price equal to 90% of the face value of all the accounts receivable that are under 30 days as of the closing date; and

(g) We may purchase any other assets used in the Business at the closing date, at a price equal to their depreciated book value using a straight line deprecation over a period of five years, but with an aggregate price of not less than $1.00.

In no event will we assume any of your liabilities or obligations (except for lease obligations if we elect to purchase your leasehold interest). All of the assets we elect to purchase must be transferred to us, on forms we reasonably require, free and clear of all liens and encumbrances. In addition, we would still

have the right, whether or not we purchase the Business Assets, to recover any damages caused by any breach of this Agreement on your part, or any wrongful termination of this Agreement on your part, and we have the right to enforce all post-termination obligations you have in this Agreement, including the covenants not to compete contained in Section 18.3.

14.8 **Assignment by Us**. This Agreement may be unilaterally Sold or Transferred by us without your approval or consent, and will inure to the benefit of our successors and assigns. We will give you written notice within 30 days after any Sale or Transfer, and the assignee will be required to fully perform our obligations under this Agreement.

14.9 **Conditions of Transfer**. This Agreement, or an Ownership Interest, or the Business, or the Business Assets, may be Sold or Transferred by you or the Owner only with our prior written approval. As long as you comply with the provisions of this Section 14.9, we will not unreasonably withhold our consent to the Sale or Transfer of this Agreement, or an Ownership Interest, or the Business, or the Business Assets, provided that:

(a) all of your monetary obligations due to us and our Affiliates have been paid in full, and you are not otherwise in default under this Agreement;

(b) you and your Owners, in the case of a Sale or Transfer of an Ownership Interest, have signed and delivered a written agreement, in a form satisfactory to us, agreeing to be bound by the post-termination provisions of this Agreement, including the covenants not to compete contained in Section 18.3 of this Agreement;

(c) the transferee does not own or operate, and is not involved in a business that competes directly or indirectly with or is similar to any Novus business;

(d) the transferee meets our managerial, financial and business standards for new franchisees, possesses a good business reputation and credit rating, and possesses the aptitude and ability to operate the Business in an economic and businesslike manner (as may be shown by prior related business experience or otherwise);

(e) the transferee and all parties having an ownership interest in the transferee, including, if applicable, the transferee's owners, sign new agreements, in the form we then use in the grant of mobile business franchises, including a new franchise agreement and personal guaranty; provided, however, that the transferee will not be required to pay a new Initial Fee or a Re-Franchise Fee;

(f) the transferee agrees to acquire all additional items we require to identify the Business to ensure that the transferee's Business will comply in all respects with our then-current standards and specifications;

(g) the transferee agrees to acquire all additional equipment we require to ensure that the equipment used by the transferee in the Business will comply in all respects with our then-current standards and specifications;

(h) before the Sale or Transfer occurs, the transferee agrees: (i) that the transferee and the appropriate employees designated by the transferee will attend and successfully complete the Required Training Programs; (ii) to pay all required training fees to us; and (iii) to pay the salaries and travel expenses for all persons who attend the Required Training Programs;

(i) you sign a general release of all claims you may have against us;

(j) you have paid us a transfer fee of $7,500, which we will reduce to $5,000 if the purchaser is an existing Novus Glass franchisee; and

(k) you and the transferee have timely provided all of the information relating to the Sale or Transfer of this Agreement that we request to properly document the Sale or Transfer.

14.10 **Acknowledgment of Restrictions**. You acknowledge and agree that the restrictions imposed by us on any Sale or Transfer in this ARTICLE 14 and are reasonable and necessary to protect the goodwill associated with the Business System and the Marks, as well as our reputation and image, and are for the protection of us and all other franchisees that own and operate a Novus business. Any Sale or Transfer permitted by this ARTICLE 14 will not be effective until we receive fully signed copies of all documents relating to the Sale or Transfer, and we have consented in writing to the Sale or Transfer.

ARTICLE 15.
OUR TERMINATION RIGHTS, DAMAGES

15.1 **Termination for Your Breach; Opportunity to Cure**. In addition to our other rights of termination contained in this Agreement, we have the right to terminate this Agreement if:

(a) you or any of your employees fail to successfully complete the Required Training Programs within the time periods specified in this Agreement;

(b) you fail to open and begin operating the Business within three months from the date of this Agreement;

(c) you violate any material provision, term or condition of this Agreement, including failure to timely pay any Royalty Fees or any other monetary obligations or fees due to us or our Affiliates, or violate any material provision, term or condition of any other agreement with us or with any Affiliate of ours;

(d) you fail to conform to the Business System or our standards of uniformity and quality for the Products and Services;

(e) you fail to timely pay any of your obligations or liabilities to your landlord, employees, suppliers, banks, purveyors and other creditors, or to us or to our Affiliates, under this Agreement or under any other agreement, including vehicle lease agreements, however, a violation of the "Development Schedule" in an area development agreement between us shall not be, by itself, cause for termination of this Agreement;

(f) any check you issue is dishonored because of insufficient funds (except where the check is dishonored because of an error in bookkeeping or accounting) or closed accounts, or you fail to maintain a balance in your bank account sufficient to allow payment of Royalty Fees to us by direct bank debit;

(g) you fail to purchase or pay for the supplies, equipment and technology required for the Business;

(h) you fail to file any required Tax return or fail to timely pay any Taxes when due; or

(i) you do not generate the Minimum Gross Revenues during any period of this Agreement.

We will not, however, have the right to terminate this Agreement for the foregoing reasons unless and until we give you (x) written notice setting forth the alleged breach, and (y) you fail to correct the alleged breach within the period of time specified by applicable law. If applicable law does not specify a time period to correct an alleged breach, then you will have 30 days after receiving the written notice to correct the alleged breach (or 90 days in the case of your failure to generate the Minimum Gross Revenues during any quarter of this Agreement), except where the written notice states that you are delinquent in the payment of any Royalty Fees or other amounts payable to us under this Agreement or under any other agreement, in which case you will have 15 days after receiving the written notice to correct the breach by making full payment (including any applicable interest or late payment charges). If we have complied with the provisions of this Section 15.1 and you have not corrected the alleged breach set forth in the written notice within the time period specified in this Agreement, then we may terminate this Agreement by giving you written notice of termination. The effective date of termination will be the date the written notice of termination is received, as specified in Section 20.16, or such later date as is specified in the notice.

15.2 **Our Immediate Termination Rights**. We will have the right, unless precluded by applicable law, to immediately terminate this Agreement, by written notice, if you:

(a) or any of your partners, directors, officers or Owners are convicted of or plead guilty to violating any law relating to the Business, or any gross misdemeanor or felony;

(b) are insolvent within the meaning of any state or federal law, any involuntary petition for bankruptcy is filed against you, or you file for bankruptcy or are adjudicated a bankrupt under any state or federal law;

(c) make an assignment for the benefit of creditors or enter into any similar arrangement for the disposition of the Business Assets for the benefit of creditors;

(d) abandon the Business;

(e) are involved in any act or conduct that materially impairs the goodwill associated with the Marks or the Business System and you fail to correct the breach within 24 hours of receiving written notice of the breach from us, or within the time specified by law; or

(f) fail or refuse to produce your financial and business records for audit by us as required by Section 13.4.

15.3 **Liquidated Damages For Abandonment**. If this Agreement is terminated prior to the expiration of the Term pursuant to Section 15.2(d) by reason of your abandonment of the Business, then, in addition to and without limitation of all of your other obligations herein that arise upon the termination or expiration of this Agreement, including without limitation your post-term covenant not to compete set forth in Section 18.3, you shall pay to us, as liquidated damages on account of your abandonment, and not as a penalty, an amount equal to the then-net present value of sixty (60) times the average monthly Royalty Fees that were due and payable on the Gross Revenues of the Business over the last full twelve (12) months prior to termination (or if you have not operated the Business for twelve (12) months, then the period from the first full month following the opening of the Business until the month prior to termination of this Agreement). If the breach occurs at a time when there are less than sixty (60) months remaining on the Term, the multiple shall be reduced to the remaining months on the Term. The liquidated damages shall be full and complete compensation for any damages that we would have suffered for your failure to fulfil the complete Term. Any debt of Franchisee for any Royalty Fee, product purchases, or any other fees or costs unpaid at the time of termination, will remain owed in addition to the agreed upon liquidated damages. The parties agree that it would be extremely difficult or

impractical to fix the amount of actual damages in advance because of uncertainties in the marketplace and differing circumstances that might exist at the time of breach, including without limitation uncertainly as to the value to us for having a Business in a particular region or area, the exposure of the brand and Marks to the public, and marketing of prospective franchises to potentially interested parties. The parties have therefore made a reasonable endeavor to estimate fair compensation for the loss that would be sustained upon your breach of this Agreement and abandonment of the Business prior to the expiration of the Term. The parties further agree that the above-mentioned damages are reasonable and such would have a reasonable relationship to the actual damages, if such could be precisely determined.

15.4 **Other Remedies**. Nothing in this Agreement will preclude us from seeking other remedies against or damages from you under state or federal laws, common law, or under this Agreement, including attorneys' fees and injunctive relief. If we terminate this Agreement under this ARTICLE 15, or if you breach this Agreement by a wrongful termination or a termination that does not comply with the terms and conditions of ARTICLE 16 of this Agreement, then we will be entitled to seek recover from you all damages that we have sustained and will sustain in the future as a result of your breach of this Agreement.

ARTICLE 16.
YOUR TERMINATION RIGHTS

16.1 **Termination for Our Breach**. You have the right to terminate this Agreement if you comply fully with this ARTICLE 16 and we violate any material provision, term or condition of this Agreement.

16.2 **Notice and Opportunity to Cure.** You will not have the right to terminate this Agreement unless and until: (a) you give us written notice setting forth the alleged breach in detail; and (b) we fail to correct the alleged breach within 30 days after receiving this written notice.

16.3 **Notice of Termination**. If you have complied with the provisions of this ARTICLE 16 and we have not corrected the alleged breach set forth in the written notice within the time period specified in this Agreement, then you may terminate this Agreement by giving us written notice of termination. The effective date of termination will be the date set forth in your written notice of termination, provided that the notice will be ineffective unless it provides that the termination will be effective no earlier than 10 days after we receive the notice of termination.

16.4 **Compliance With Post-Termination Obligations.** If you exercise your right to terminate the Agreement under this ARTICLE 16, you must still comply with all post-termination obligations in ARTICLE 17 and Section 18.3 of this Agreement.

ARTICLE 17.
YOUR OBLIGATIONS UPON TERMINATION OR EXPIRATION

17.1 **Termination of Use of Marks.** Upon termination or expiration of this Agreement, you shall:

(a) not have any further right to use the name "Novus®", the other Marks and/or the Business System in connection with your business operations;

(b) immediately cease using the name "Novus®" and the Marks, and any other word, phrase or symbol confusingly similar to the name "Novus®" or the Marks, or any variation thereof, in all advertising, marketing and promotional materials, including promotional materials on any Website including any Social Media Site;

(c) take all other actions relating to the name "Novus®" and the Marks as we may request, and

(d) not hold yourself out, or advertise the Business, as formerly a Novus business or by any other means that suggests you had a prior relationship with us. You agree and acknowledge that your continued use of the name Novus® and the Marks after the expiration or termination of this Agreement will be without our consent and will constitute an "exceptional case" under federal trademark law (15 U.S.C. §1117) entitling us to recover treble damages, costs and attorneys' fees.

17.2 **Other Obligations Upon Termination.** If this Agreement expires or is terminated for any reason you shall immediately comply with all applicable provisions of this Agreement, and within five days after termination:

(a) submit to us Gross Revenues Reports for all periods through the date of expiration or termination that have not previously been provided;

(b) pay all Royalty Fees and all other amounts you owe us or our Affiliates, including, if this Agreement terminates for any reason prior to the Expiration Date, Minimum Monthly Royalty Fees and equipment lease payments for all periods through the Expiration Date;

(c) return to us by first class prepaid United States mail the Operations Manual, all Glass Repair, Glass Replacement, and other equipment leased from us, and all advertising materials, signage, and other printed materials pertaining to the Business System;

(d) provide us with a copy of all your customer records;

(e) inform your suppliers in writing of the expiration or termination and send us a copy of all such communications;

(f) return any vehicles leased from us in accordance with the terms of the respective lease agreements;

(g) change the appearance of any vehicles used in connection with the Business (and not leased from us) so that they will be easily distinguished from the appearance of vehicles used in Novus businesses; and

(h) cancel any assumed name or similar registration using the Marks.

17.3 **Assignment of Telephone Number and Directory Listings**. You acknowledge and agree that we have the absolute right and interest in and to all telephone numbers and directory listings associated with the Marks, and you hereby authorize us to direct the telephone company and all listing agencies to transfer and assign to us or our designee the telephone numbers and directory listings for your Business upon our request at any time following expiration or termination of this Agreement, in our sole and absolute discretion. Upon execution of this Agreement, you shall deliver to us an executed assignment in blank, in the form required by us, assigning all telephone numbers for your Business to us or our designee. You also authorize us to deliver this assignment to the telephone company at any time following termination or expiration of this Agreement, or if we acquire your Business, as determined by us in our sole and absolute discretion, and to notify the telephone company and all listing agencies of the termination or expiration of your right to use all telephone numbers and all classified and other directory listings for the Business, and to authorize the telephone company and all listing agencies to assign and transfer to us or our designee all telephone numbers and directory listings of your Business. The

telephone company and all listing agencies have the right to accept either this Agreement or the assignment in blank delivered upon execution of this Agreement, as evidence of our exclusive rights to such telephone numbers and directory listings and the authority from you for the telephone company and listing agencies to transfer all such telephone numbers and directory listings to us or our designee. You also agree to execute and deliver and any all documents as we may require to assign and transfer to us or our designee all telephone numbers and directory listings of your Business. This Agreement will be your release of the telephone company and listing agencies from any and all claims, actions and damages that you may at any time have the right to allege against them in connection with the transfer of your telephone numbers and directory listings to us.

17.4 **Domain Names and Other Electronic Information.** You acknowledge and agree that we have the absolute right and interest in and to the Home Page and any Novus Social Media Site, including, but not limited to, any domain name associated therewith or content thereon, and you agree to take any and all actions as may be necessary to assign and transfer access to and the registration or listings thereof to us upon termination or expiration of this Agreement.

ARTICLE 18.
FRANCHISEE'S COVENANTS NOT TO COMPETE

18.1 **Your Acknowledgments.** You acknowledge and agree that:

(a) you will benefit from and be identified with the System's goodwill;

(b) you, your Owners and your employees will receive: specialized training, "know-how," current and future marketing and advertising plans, business plans and strategies, business information, concepts, proprietary technology, formulas, marketing and promotional techniques, confidential information and trade secrets from us pertaining to the Business System and the operation of the Business;

(c) we have advised you that this ARTICLE 18 is a material provision of this Agreement, and that we would not grant a Novus® franchise to you or provide you with our Business System, technology, business information and "know-how," proprietary concepts, and experience if you intended to own, operate or be involved in a business that competes directly or indirectly with the Business or the Business System; and

(d) the restrictions imposed by the covenants under this ARTICLE 18 are reasonable and will not unduly limit your business opportunities.

18.2 **In-Term Covenant Not-to-Compete.** You agree that you, your Owners, the Personal Guarantors, and the members of your and their Immediate Families will not, during the Term, for your or their own account, or as an employee, agent, consultant, partner, officer, director, member, or owner of any other person, firm, entity, partnership, company, or corporation, own, operate, lease, franchise, license, conduct, engage in, consult with, be connected with, have any interest in, or assist any person or entity engaged in a Competitive Business.

18.3 **Post-Term Covenant Not-to-Compete.** You agree that you, your Owners, the Personal Guarantors, and the members of your and their Immediate Families will not, for a period of two years after the termination or expiration of this Agreement, for your or their own account or as an employee, agent, consultant, partner, officer, director, member, or owner of any other person, firm, entity, partnership, company, or corporation, (b) own, operate, lease, franchise, license, conduct, engage in, consult with, be connected with, have any interest in, or assist any Competitive Business if that business is located or operated (i) in your Territory, (ii) in any territory or area of primary responsibility we grant

to any other Novus business, or (iii) at or within 10 miles of any business location of any Novus® Business in the United States and its possessions. You, your Owners, and the Personal Guarantors expressly agree that the time and geographical limitations set forth in this provision are reasonable and necessary to protect us and our franchisees if this Agreement expires or is terminated by either you or by us for any reason, and that the restriction in clause (i) is necessary to permit us the opportunity to resell and/or develop a new Novus glass repair and/or replacement business in your Territory to preserve the goodwill of our Marks in that market. You also agree that if you, your Owners, the Personal Guarantors, or the members of your or their Immediate Families violate this covenant not to compete, the term of the non-compete will be extended for any person engaged in violating this covenant not to compete, until two years after the violation has ceased.

ARTICLE 19.
INDEMNIFICATION

19.1 **Indemnification by You.** We are not responsible for Claims and/or Damages arising out of, from, or in connection with your operation of the Business. You agree to indemnify us and our Affiliates against, and reimburse us and our Affiliates for, all Claims and/or Damages we incur in defending any claim brought against us or in any action in which we are named as a party arising out of, from, as a result of, or in connection with the Business and/or the operation of the Business, including Claims and/or Damages arising from: (a) any personal injury, property damage, commercial loss or environmental contamination resulting from any act or omission by you or your employees, agents or representatives; (b) any failure on your part to comply with any federal, state or local laws or regulations; (c) your failure to pay any of your debts or obligations; or (d) your failure to comply with any requirement or condition of this Agreement or any other agreement with us or our Affiliates. We will have the right to defend, at your expense, any claim made against us arising as a result of or from the Business.

19.2 **Indemnification by Us.** We agree to indemnify you against, and to reimburse you for, any obligation or liability for Claims or Damages to persons other than you or your owners that is attributable to our agreements or representations, or that is caused by our negligent or willful action, including the obligation to defend any litigation brought against you that is attributable to our agreements or representations, or caused by our negligent or willful action. We will have the right to participate in and to control any litigation or proceeding that might result in liability of or expense to you subject to indemnification by us.

19.3 **Collection and Enforcement Costs**. You shall pay us for any and all Costs and Expenses we incur for the collection of past due Royalty Fees or other amounts due to us or our Affiliates. In addition, you shall pay all Costs and Expenses we incur in successfully enforcing any term, condition or provision of this Agreement, in successfully enjoining any violation of this Agreement by you, or in successfully defending any lawsuit you bring against us.

ARTICLE 20.
INTERPRETATION AND ENFORCEMENT OF AGREEMENT

20.1 **Injunctive Relief**. You, your Owners and the Personal Guarantors agree that, notwithstanding any other provision of this Agreement, we will have the right to petition a court of competent jurisdiction for the entry of temporary restraining orders, temporary and permanent injunctions and orders of specific performance:

(a) enforcing the provisions of this Agreement relating to: (i) the Marks and the Business System; (ii) your obligations on termination or expiration of this Agreement, (iii) your Sale or Transfer of this Agreement, the Business Assets, or any Ownership Interest; (iv) the

confidentiality of the Operations Manual and other confidential information; and/or (v) any covenants not to compete; and

(b) enjoining any act or omission by you or your employees that: (i) is a violation of any law, ordinance or regulation; (ii) is dishonest or misleading to the clients or customers of the Business or other Novus businesses; (iii) is a danger to the employees, public, guests, clients or customers of the Business; or (iv) may impair the goodwill associated with the Marks or the Business System.

You agree that we shall be entitled to obtain this injunctive relief without posting a bond or, if a court nevertheless requires a bond, by posting a bond set by the court in an amount not to exceed $5,000.

20.2 **Mediation**. Except for matters for which we may elect to enforce this Agreement by judicial process and injunction as set forth in Section 20.1, each of us (and your Owners and Personal Guarantors) agree to enter into mediation of all disputes involving this Agreement or any aspect of the relationship between us, for a minimum of four (4) hours, prior to the initiation of any lawsuit or other proceeding against the other.

(a) Upon written notice by either of us to the other of the initiating party's desire to mediate, the party receiving the notice will select an independent entity that regularly provides mediation services to franchisors and franchisees to serve as mediator in the proceeding. If the party receiving the notice of intent to mediate does not provide the name of such organization within ten (10) business days from the date the notice of intention to mediate is received, then the other party may forego mediation of the issue(s) and commence a legal action against the other or, at its option, make the selection of the organization to provide mediation services. If one of us selects an organization that is unwilling to serve as mediator or does not meet the requirements of this Section, then the other party may select the organization. Once the organization is designated and agrees to accept appointment as mediator, the organization will be directed to schedule the mediation proceeding at a time mutually convenient to both of us. The mediation will be held within thirty (30) days following receipt by the mediation organization of notification that its services are being retained. If You and we cannot agree on a date for mediation, then the mediation organization will select a date it believes is reasonable, given all of the alleged conflicts and dates.

(b) The actual mediator must be a person who has had at least ten (10) years of experience as either franchisee or franchisor (or is an officer of such an entity) or in franchise law.

(c) You and we will equally share the cost of the mediator.

(d) The mediator will select the location of the mediation, but unless You and we otherwise agree, the mediation will be held in a metropolitan area of not less than two hundred fifty thousand (250,000) persons and located at least two hundred (200) miles from either Your or our principal offices.

(e) If either of us initiates litigation without complying with the obligation to mediate in accordance with this Section 20.2 (unless the other party has failed to respond on a timely basis or has indicated it will not engage in mediation in accordance with the provisions of this Section 20.2), then upon petition of any party named as a defendant in such litigation, the court shall dismiss the action without prejudice upon motion of the defendant, and award attorneys' fees and costs to the party seeking dismissal in an amount equal to such party's attorneys' fees and costs incurred in seeking dismissal. If the court refuses for any reason to dismiss the action, then

regardless of the outcome of the action, or of any award given by the court in the action, the party initiating the action will be responsible for all attorneys' fees and costs incurred throughout the action by the other party as damages for failing to comply with the provisions of this Section 20.2.

20.3 **Waiver of Punitive Damages**. Each of us (and your Owners and Personal Guarantors) agree to waive, in the fullest extent permitted by law, any right to, or claim for, any punitive or exemplary damages against each other and against our respective Affiliates, employees or agents, and agree that in the event of a dispute between us, each of us will be limited to the recovery of any actual damages we sustain, and/or to injunctive relief, as permitted by the court.

20.4 **Severability**. All provisions of this Agreement, including those relating to covenants not to compete, are severable, and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not included in this Agreement, and partially valid and enforceable provisions will be enforced to the extent valid and enforceable. If any applicable law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement than is required in this Agreement or the taking of some other action not required in this Agreement, or if under any applicable law or rule of any jurisdiction, any provision of this Agreement or any of our specifications, standards or operating procedures are invalid or unenforceable, then the period of notice or other action required by that law or rule will be substituted for the notice requirements in this Agreement, or the invalid or unenforceable provision, specification, standard or operating procedure will be modified to the extent, but only to the extent, required to be valid and enforceable.

20.5 **Waiver of Obligations**. Neither you nor we will be considered to have waived any obligation of or restriction on the other person unless the waiver is in writing and signed by each of us. Our acceptance of any payment by you, or our failure, refusal or neglect to exercise any right under this Agreement or to insist on full compliance by you of your obligations under this Agreement, including any mandatory specification, standard or operating procedure, will not be considered a waiver by us of any provision of this Agreement. However, if either of us fails to notify the other in writing of any alleged misrepresentation, violation of law, deficiency, or breach of this Agreement, within one year from the date that we have knowledge of, believe, determine or are of the opinion that there has been a misrepresentation, violation of law, deficiency or breach by the other party, then the alleged misrepresentation, violation of law, deficiency or breach will be considered waived but such waiver of any prior deficiency or breach of any provision of this Agreement shall not affect the obligation of the party to comply with the obligation or provision in the future; provided, however, that this waiver will not apply to your underreporting of Gross Revenues, or under payment of any fees you owe us that are tied to the amount of your Gross Revenues.

20.6 **Payments to Us, Rights of Offset**. Your payment obligations under this Agreement are absolute and unconditional. You may not, for any reason, withhold, escrow or offset any Royalty Fees or other payments due to us or our Affiliates. We do, however, have the right to offset any payments we owe you against any amounts you may owe us.

20.7 **Effect of Wrongful Termination**. If either of us takes any action to terminate this Agreement, or you take any action to convert the Business to another business, without first complying with the terms and conditions (including the written notice and opportunity to cure provisions) of ARTICLE 15 or ARTICLE 16 of this Agreement, as applicable, then that action will not relieve or release either of us from any of our respective obligations under this Agreement, and the terms and conditions of this Agreement will remain in full force and effect until this Agreement expires or is terminated in accordance with the provisions of this Agreement and applicable law.

20.8 **Cumulative Rights**. Your rights and our rights under this Agreement are cumulative and no exercise or enforcement by either of us of any right or remedy permitted under this Agreement will preclude the exercise or enforcement by either of us of any other right or remedy permitted under this Agreement or which we are entitled by law to enforce.

20.9 **Venue and Jurisdiction**. Except as set forth in the last sentence of this Section 20.9, unless prohibited by applicable law, all lawsuits, court proceedings and other actions initiated by us, by you, or by the Owners and the Personal Guarantors arising out of or related to this Agreement will be venued exclusively in the state or federal courts located in Ramsey County, Minnesota. You, your Owners and the Personal Guarantors acknowledge that you have had substantial business and personal contacts with us in Minnesota and you hereby agree and submit to personal jurisdiction in the State of Minnesota in connection with any lawsuit or proceeding brought to enforce or construe the terms of this Agreement, or to resolve any dispute or controversy arising under this Agreement, and you agree that except as set forth in the next sentence, all lawsuits, proceedings, hearings or other actions will be exclusively venued and held in Ramsey County, Minnesota. However, if we seek injunctive relief to enforce any provision of this Agreement, or to restrain any violation of this Agreement, we may, at our option, bring that action in the county to which notices are to be delivered to you under Section 20.16 of this Agreement.

20.10 **Jury Waiver**. **TO THE EXTENT EITHER OF US INITIATES LITIGATION INVOLVING THIS AGREEMENT OR ANY ASPECT OF THE RELATIONSHIP BETWEEN US (EVEN IF OTHER PARTIES OR OTHER CLAIMS ARE INCLUDED IN THE LITIGATION), YOU AND WE EACH WAIVE OUR RIGHT TO A TRIAL BY JURY. THIS WAIVER WILL APPLY TO ALL CAUSES OF ACTION THAT ARE OR MIGHT BE INCLUDED IN THE LITIGATION, INCLUDING CLAIMS RELATED TO THE ENFORCEMENT OR INTERPRETATION OF THIS AGREEMENT, ALLEGATIONS OF STATE OR FEDERAL STATUTORY VIOLATIONS, FRAUD, MISREPRESENTATION, OR SIMILAR CAUSES OF ACTION, AND IN CONNECTION WITH ANY LEGAL ACTION BROUGHT FOR THE RECOVERY OF DAMAGES BETWEEN OR AMONG US OR BETWEEN OR AMONG ANY OF OUR OWNERS, AFFILIATES, OFFICERS, EMPLOYEES OR AGENTS.**

20.11 **Survival of Obligations**. All obligations that are to be performed or may be performed following the expiration or termination of this Agreement will remain in effect following expiration or termination of this Agreement, including your indemnification obligations and your obligations under ARTICLE 17 and ARTICLE 18.

20.12 **Binding Agreement**. This Agreement is binding on you and on us, and on our respective executors, administrators, heirs, assigns and successors in interest.

20.13 **Entire Agreement**. This Agreement supersedes and terminates all prior agreements, either oral or in writing, between you and us involving this franchise relationship. All representations alleged by either you or by us that are not contained in this Agreement or in our Franchise Disclosure Document delivered to you prior to your execution of this Agreement will not be enforceable. This Agreement is the entire agreement between us, and there are no other oral or written understandings or agreements between us relating to the subject matter of this Agreement except those agreements and contracts, if any, that are signed by each of us concurrently with this Agreement; provided, however, nothing in this Agreement or any related agreement is intended to disclaim any representations made in the Franchise Disclosure Document you acknowledge having received at least 14 calendar days prior to the execution of this Agreement.

20.14 **Joint and Several Liability**. If more than one person is listed as the Franchisee in this Agreement, then the liability of all those people will be joint and several.

20.15 **No Oral Modification**. No modification, change, addition, rescission, release, amendment or waiver of this Agreement and no approval, consent or authorization required by any provision of this Agreement may be made except by a written agreement signed by duly authorized officers of the party that is alleged to have given the modification, change, rescission, release, amendment, waiver, approval, consent or authorization. Neither of us has the right to amend or modify this Agreement orally or verbally, and any attempt to do so will be void.

20.16 **Notices**. All notices to us must be in writing, must comply with applicable law, and must be addressed to:

General Manager
Novus Franchising 2 LLC
650 Pelham Boulevard, Suite 100
St. Paul, MN 55114

with copy (which will not be considered official notice) to:
Mondofix Inc.
99 Émilien Marcoux, Suite 101
Blainville, Quebec, J7C 0B4 Canada

All notices to you must be in writing and addressed to you at the address set forth on the cover page of this Agreement, or such other address as you designate in writing. Unless provided to the contrary by applicable law, all notices under this Agreement must be delivered by (a) personal service, (b) prepaid certified United States Mail, (c) by a recognized overnight delivery service (e.g., Federal Express, United States Express Mail or UPS) or (d) by facsimile transmission. Notice by mail will be effective on the third day after it is deposited in the mail, notice by personal service will be effective upon delivery, notice by overnight delivery service will be effective on the next business day after sent, and notice by facsimile will be effective when confirmation is received at the point of transmission.

20.17 **Counterparts**. This Agreement may be executed in any number of identical counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same Agreement. The parties will be entitled to rely upon delivery of an executed facsimile or similar executed electronic copy of this Agreement, and such facsimile or similar executed electronic copy will be legally effective to create a valid and binding agreement between the parties.

ARTICLE 21.
GOVERNING LAW, STATE MODIFICATIONS

21.1 **Governing Law**. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §1051 *et seq.)*, this Agreement and the relationship between us will be governed by the laws of Minnesota, but if you are not a resident of Minnesota or the Territory does not include a portion of Minnesota, then the Minnesota Franchises Act will not apply to this Agreement.

21.2 **State Modifications**. If all or a portion of the Territory is located in any one of the states indicated below in this Section 21.2, or if the laws of any of these states are otherwise applicable, then the designated provisions of this Agreement will be amended and revised as follows:

(a) **California**. If this Agreement is governed by the laws of California, then:

(i) The covenant not to compete upon termination or expiration of this Agreement contained in Section 18.3 may be unenforceable, except in certain circumstances provided by law;

(ii) Provisions of this Agreement giving us the right to terminate in the event of your bankruptcy may not be enforceable under federal bankruptcy laws (11 U.S.C. Sec. 101, et seq.);

(iii) To the extent that the provisions of this Agreement provide for periods of notice less than those required by California law, or provide for transfer, termination, cancellation, nonrenewal or the like other than in accordance with California law, such provisions shall, to the extent such are not in accordance with California law, be superseded by said law;

(iv) The choice of law and forum provisions of this Agreement contained in Sections 20.9 and 21.1 may be unenforceable in California, except in certain circumstances provided by law;

(v) This Agreement contains a liquidated damages clause, which may not be enforceable under California Civil Code 1671.

(vi) The maximum interest rate to be charged in California is 10%;

(vii) Section 22.2 of this Agreement, titled "Your Acknowledgements," is hereby deleted in its entirety and replaced with the following language: "[Intentionally Deleted];" and

(viii) No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

(b) **Hawaii**. If this Agreement is governed by the laws of Hawaii, then:

(i) Section 22.2 of this Agreement, titled "Your Acknowledgements," is hereby deleted in its entirety and replaced with the following language: "[Intentionally Deleted];" and

(ii) 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

(c) **Illinois**. If this Agreement is governed by the laws of Illinois, then the following provisions apply:

(i) Illinois law governs the franchise agreements;

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

(iii) Franchisees' rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act;

(iv) In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void; and

(v) No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

[See the last page for your required signature]

(d) **Indiana**. If this Agreement is governed by the laws of Indiana, then:

(i) The provisions of Section 9.8 requiring a release of claims arising from your participation in our training programs will not apply to claims under the Indiana Deceptive Franchise Practices Act (the "Indiana Law");

(ii) You will have the right to petition a Court of competent jurisdiction for injunctive relief relating to the alleged improper termination of this Agreement by us or our alleged unreasonable refusal to consent to your Sale or Transfer of this Agreement under Section 14.9;

(iii) Any provisions of this Agreement or any addendum to this Agreement requiring a release of claims as a condition of Sale or Transfer or renewal of the Franchise will not apply, but you will still be bound by the other terms and conditions of this Agreement and any addendum to this Agreement thereto;

(iv) A Court of competent jurisdiction will determine (1) whether damages alone can adequately compensate us if there is a violation of ARTICLE 18 by you, your Owners or the Personal Guarantors, and (2) whether we will be required to post a bond or other security, and the amount of that bond or other security, in any injunctive proceeding we bring against you, your Owners or the Personal Guarantors;

(v) We each recognize that the Indiana Law prohibits us (1) from unfairly competing against you in the Territory, or (2) from enforcing the covenant not to compete set forth in Section 18.3 beyond a reasonable distance from your Territory;

(vi) Section 19.1 is amended to provide that you are not obligated to indemnify us for any liability caused by your proper reliance on or use of procedures or materials we provide to you, or for liability arising from our negligence, however this amendment of Section 19.1 will not affect in any way your obligation to obtain and maintain insurance coverage in accordance with ARTICLE 12;

(vii) The acknowledgment by you of substantial business contacts with us in Ramsey County, Minnesota and the consent by you to jurisdiction and venue in Ramsey County, Minnesota contained in Section 20.9 may not apply, but that does not mean that venue in Ramsey County, Minnesota is improper, or that you, your Owners and the Personal Guarantors are not subject to jurisdiction in Ramsey County, Minnesota or in any other state;

(viii) The provisions of Section 20.9 requiring litigation to take place in Ramsey County, Minnesota will not apply if there is litigation between you and us;

(ix) You will always have up to two years to bring an action against us for a violation of the Indiana Deceptive Franchise Practices Act, and up to three years from the date of discovery to bring an action against us for a violation of the Indiana Law;

(x) Any lease agreement, promissory note, security agreement or other agreement between us and you will be governed by and construed in accordance with the laws of Indiana and the substantive laws of Indiana will govern the rights and obligations of and the relationship between us and you; and

(xi) You do not, by signing this Agreement, waive your rights under Indiana Law with respect to any representations we made before the date of this Agreement.

(e) **Maryland**. If your Territory is located in, or you are a resident of Maryland, then this Agreement will be governed by the laws of Maryland, and this Agreement will be amended and revised as follows:

(i) Section 14-216(c)(25) of Maryland Franchise Registration and Disclosure Law, Md. Ann. Code, Article—Business Regulation, Title 14, Section 14-201 *et seq*. (the "**Maryland Law**") requires us to file an irrevocable consent to be sued in Maryland and so your consent to jurisdiction and venue in Ramsey County, Minnesota contained in Section 20.9 will not apply, and you may sue us in Maryland for claims arising under the Maryland Law;

(ii) Any provisions of this Agreement or any addendum to this Agreement requiring a release of claims as a condition of the Sale or Transfer or renewal of the Franchise will not apply to any liability under the Maryland Law; however, in that case, you will remain liable under the Franchise Agreement and any addendum to this Agreement thereto; and

(iii) Any provision of this Agreement that requires you to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would be a violation of the Maryland Law in order to purchase the Franchise will not act as a release, estoppel or waiver of any liability we have under the Maryland Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years of the grant of the Franchise.

(iv) Section 22.2 of this Agreement, titled "Your Acknowledgements," is hereby deleted in its entirety and replaced with the following language: "[Intentionally Deleted];" and

(v) No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

(vi) Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

(f) **Minnesota**. If you are a resident of Minnesota or any portion of the Territory is located in Minnesota, then:

(i) ARTICLE 3 of this Agreement will be amended to provide that, except in certain circumstances specified by law, we must give you at least 180 days prior written notice of nonrenewal of the Franchise;

(ii) Section 15.1 will be amended to require that, except as set forth in Article 15.2 if we give you notice that you have breached this Agreement, that notice will be given to you at least 90 days before we terminate this Agreement, and you will have 60 days after receiving that notice to correct the breach specified in the notice;

(iii) A court of competent jurisdiction will determine whether we are required to post a bond or other security to obtain an injunction against you, your Owners or Personal Guarantors, and the amount of the bond or other security;

(iv) Sections 20.3 and 20.10 will be deleted from this Agreement;

(v) We will protect your right to use the Marks or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks, provided you have properly used the Marks and comply with our instructions regarding their use;

(vi) The limitation of claims provided for in the second sentence of Section 20.5 will not apply to any claims you may have under Minnesota Statutes, §80C.17;

(vii) Any provisions of this Agreement or any addendum to this Agreement requiring a general release will not apply, but you will still be bound by the other terms and conditions of this Agreement and any addendum to this Agreement thereto; and

(viii) No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

(g) **New York**. If this Agreement is governed by the laws of New York, then:

(i) Section 19.1 will be amended to provide that you are not required to indemnify us against claims arising out of our breach of contract, negligence or other civil wrong, however the amendment of Article 19.1 will not affect in any way your obligation to obtain and maintain insurance coverage in accordance with ARTICLE 12;

(ii) Any modifications to the Operations Manual we make will not unreasonably increase your obligations under this Agreement and will not place an excessive economic burden

on the Business;

(iii) Any release required in this Agreement or any addendum to this Agreement and the choice of law provisions of this Agreement will not be considered a waiver of any right you are given under Article 33 of the General Business Law of the State of New York;

(iv) Section 14.8 will be amended to provide that no assignment shall be made except to an assignee who in good faith and judgment of the Franchisor, is willing and financially able to assume the Franchisor's obligations under this Agreement;

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

(vi) Any sale made must be in compliance with Section 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. Section 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10 business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

(h) **North Dakota**. If this Agreement is governed by the laws of North Dakota, then:

(i) Section 15.1 of this Agreement will be amended to require that if we give you notice that you are delinquent in the payment of any fees or other payments you owe us, you will have 30 days after receiving notice to correct the breach by making full payment to us (including any applicable interest or late payment charges);

(ii) Section 15.3 of this Agreement is modified to delete any requirement that you consent to termination penalties or liquidated damages.

(iii) The covenant not to compete upon termination or expiration of this Agreement contained in Section 18.3 may not be enforceable, except in certain circumstances provided by law;

(iv) Section 21.1 of this Agreement will be amended to substitute "the laws of North Dakota" in place of "the laws of Minnesota", and to delete the remainder of that sentence;

(v) your consent to jurisdiction and venue in Ramsey County, Minnesota contained in Section 20.9 may not apply, but that does not mean that venue in Ramsey County, Minnesota is improper, or that you, your Owners, and Personal Guarantors are not subject to jurisdiction in Ramsey County, Minnesota, or in any other state;

(vi) Section 20.3 of this Agreement is deleted;

(vii) Section 20.10 of this Agreement is deleted; and

(viii) No statement, questionnaire, or acknowledgment signed or agreed to by

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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

(i) **Rhode Island**. If this Agreement is governed by the laws of Rhode Island, then any provision of this Agreement restricting jurisdiction or venue to a forum outside Rhode Island is void as to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

(j) **South Dakota**. If this Agreement is governed by the laws of South Dakota, then under *South Dakota Codified Laws* ("**SDCL**") 37-5B-26, any acknowledgment provision, disclaimer or integration clause or other provision having a similar effect in this Agreement will not negate or act to remove from judicial review any statement, misrepresentation or action that violates SDCL Chapter 37-5B or a rule or order under Chapter 37-5B.

(k) **Virginia**. If this Agreement is governed by the laws of Virginia, then the following provisions shall apply:

(i) No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

(l) **Washington**. If this Agreement is governed by the laws of Washington, then:

(i) If there is a conflict of laws, the provisions of the *Washington Franchise Investment Protection Act*, Chapter 19.100 RCW (the "**Washington Act**"), will prevail;

(ii) RCW 19.100.180 may supersede this Agreement in your relationship with us, including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede this Agreement in your relationship with us, including the areas of termination and renewal of your franchise;

(iii) In any arbitration involving a franchise purchased in Washington, the arbitration site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator at the time of arbitration. In addition, if litigation is not precluded by this Agreement, you may bring an action or proceeding arising out of or in connection with the sale of the franchise, or a violation of the Washington Franchise Investment Protection Act, in Washington;

(iv) A release or waiver of rights you sign will not include rights under the Washington Act, except when signed in connection with a negotiated settlement after this Agreement is in effect and where we are each represented by separate counsel;

(v) Any provisions of this Agreement that unreasonably restrict or limit the statute of limitations period for claims under the Washington Act, or rights or remedies under the Washington Act like a right to a jury trial may not be enforceable;

(vi) Transfer fees we charge must reflect our reasonable estimated or actual costs in

effecting a Sale or Transfer;

(vii) Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in this Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington;

(viii) RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in this Agreement or elsewhere are void and unenforceable in Washington;

(ix) Section 22.2 of this Agreement, titled "Your Acknowledgements," is hereby deleted in its entirety and replaced with the following language: "[Intentionally Deleted];" and

(x) No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

(m) **Wisconsin**. If this Agreement is governed by the laws of Wisconsin, then the provisions of the Wisconsin Fair Dealership Law, Wis. Stat. Chapter 135, will supersede any conflicting terms of this Agreement.

21.3 **Severability**. The severability provisions of this Agreement contained in Section 20.4 of this Agreement will pertain to all of the applicable laws that conflict with or modify the provisions of this Agreement, including the provisions of this Agreement specifically addressed in Section 21.2 above.

ARTICLE 22.
DISCLAIMER AND ACKNOWLEDGMENTS

22.1 **Disclaimer**. You hereby acknowledge that we do not warrant or guarantee to you that you will earn any profit from the Business, or that we will refund all or part of the Initial Fee or the price you pay for the Business or repurchase any of the Products and Services supplied or sold by us, or by a Designated Supplier or Approved Supplier, if you are unsatisfied with the Business. We expressly disclaim the making of any express or implied representations or warranties regarding the sales, earnings, income, profits, Gross Revenues, business or financial success, or value of the Business except as may be provided for in Item 19 of our Franchise Disclosure Document.

22.2 **Your Acknowledgments**. You hereby acknowledge and agree that:

(a) you have had a full and adequate opportunity to read and review this Agreement and to be thoroughly advised of the terms and conditions of this Agreement by an attorney or other personal advisor;

(b) you have had sufficient time to evaluate and investigate the Business System, the financial requirements and the economic and business risks associated with the owning and operating the Business;

(c) you have conducted an independent investigation of the Novus® glass business concept and recognize that the business venture contemplated by this Agreement involves business and economic risks;

(d) the financial, business and economic success of the Business will be primarily dependent on your personal efforts and the efforts of your management and your employees, and on economic conditions in the Territory and in general;

(e) you have not received from us or our agents or Affiliates any estimates, projections, representations, warranties or guaranties, express or implied, regarding actual or potential sales, Gross Revenues, income, profits, earnings, expenses, financial or business success, value of the Business, or other economic matters pertaining to the Business or any other Novus® glass business that were not expressly set forth in our Franchise Disclosure Document that you acknowledge receiving;

(f) except as otherwise expressly stated in this Agreement, any consent or approval required to be obtained from us, or decision to be made by us, may be granted or made by us in our sole and exclusive business judgment, which may take into account our assessment of, among other things, our long-term interests, and the long-term interests of the Business System and the Marks, without regard to its effect on any individual franchisee or the Business. Our judgment shall prevail even in cases where other alternatives may be reasonable, so long as we are intending to benefit or are acting in a way that could benefit the Business System, enhance the value of the Marks, increase customer satisfaction, or minimize possible confusion, brand or location confusion. If our activities or decisions are supported by our business judgment, no court or judge or trier of fact, or any other person reviewing those activities or decisions may substitute his, her or its judgment for our judgment, in recognition of the fact that the long-term goals of a franchise system, and our long-term interests and those of our franchisees taken together, require that we have the latitude to exercise our business judgment in administering, managing and overseeing the Business System.

22.3 **Other Franchisees.** You acknowledge and agree that other franchisees of ours have been or will be granted franchises at different times, different locations, under different economics and in different situations, and you acknowledge that the economics, area of primary responsibility, terms, and conditions of those franchises may vary substantially in form and substance from those contained in this Agreement and that you are not entitled to any amendment of this Agreement or other concessions as a result of such variances.

22.4 **Waiver of Collateral Estoppel.** Each of us agrees that we should each be able to settle, mediate, litigate, arbitrate, or compromise disputes in which we are involved with third parties, without having those disputes directly affect the contract or relationship between us. We and you therefore agree that a decision of an arbitrator or court of law to which one of us is not a party will not prevent the person that was a party to that action from making similar arguments, or taking similar positions, in any action between us, and we each waive any claim of collateral estoppel we might assert.

22.5 **Receipt of Agreement and Franchise Disclosure Document.** You acknowledge and agree that you received a copy of our Franchise Disclosure Document at least 14 days before you signed this Agreement or paid any money to us.

22.6 **Your Legal Counsel.** You acknowledge and agree that this Agreement is a legal document that grants certain rights to and imposes certain obligations upon you. We have advised you to retain an attorney or other advisor before you sign this Agreement to: (a) review our Franchise Disclosure Document; (b) review this Agreement in detail; (c) review all legal documents, including leases, purchase agreements and construction agreements; (d) review the economics, operations and other business aspects of the business concept; (e) advise you regarding your economic risks, liabilities, obligations and rights under this Agreement; and (f) advise you on Tax issues, financing matters, applicable state and federal laws, health and safety laws, environmental laws, employee issues, insurance, structure of the Business, and other business matters.

IN WITNESS WHEREOF, you, your Owners, and we have each signed this Agreement effective as of the day and year appearing on the first page.

"FRANCHISOR"

NOVUS FRANCHISING 2 LLC

By: _____
Its: _____

"FRANCHISEE"

_____
Legal Name of Franchisee

By: _____

_____
Print Name

Its: _____

The Owners signing below hereby agree to comply with all terms and conditions of this Agreement that apply to Owners.

Print Name	Signature	Percent of Ownership Interest

SCHEDULE "A"

GLOSSARY OF DEFINED TERMS

a) "**Abandon**" means any action or inaction on your part that suggests your willingness, desire or intent to discontinue operating the Business under the quality standards, uniformity requirements and the Business System as set forth in this Agreement and the Operations Manual, including your failure to operate the Business for seven consecutive days without our prior written consent.

b) "**Accompanying Equipment Packages**" means the glass repair tools, supplies and equipment, apart from the Initial Equipment Package, that you must purchase from us or from Approved Suppliers for the initial operation of the Business.

c) "**Administrative Expenses**" means all overhead, including salaries for executives, in-house legal counsel, and employees, fringe benefits, commissions, attorneys' fees, accountants' fees, transportation costs, travel expenses, food and lodging, training costs, supplies, marketing costs, long distance telephone calls, and all other overhead expenses.

d) "**AGSC**" has the meanings set forth in Section 9.3(d) of this Agreement.

e) **"AGSC Credit"** is a credit in an amount equal to $3,250, less any travel and other out-of-pocket costs we incur if you want us to provide the Glass Replacement Test outside of our offices, which may be used for product purchases.

f) "**Affiliate**" means any business entity that controls, is controlled by, or is under common control with Franchisor.

g) "**ANSI/AGSC Standards**" means the ANSI/AGRSS 002-2002 Automotive Glass Replacement Safety Standard or subsequent standard established by the Auto Glass Safety Council and the American National Standards Institute.

h) "**Applicable Law**" means federal, state, city, local and municipal laws, ordinances, rules and regulations pertaining to the operation of the Business, including all health and safety laws and regulations, all driving and vehicle laws, all environmental laws, and all employment laws.

i) "**Approved Suppliers**" means those suppliers and distributors that we approve in writing to supply certain Products and Services we specify in the Operations Manual and will include those suppliers and distributors we approve at your request.

j) "**Business**" means the business we license to you under this Agreement.

k) "**Business Asset**s" means (i) the Business, (ii) this Agreement, (iii) any leases for vehicles, (iv) the vehicles (not leased from us), supplies, equipment and all other assets used in or by the Business; (v) any Ownership Interests in the Business, and (vi) all of the other contracts and agreements you have in connection with the operation of the Business.

l) "**Business System**" means the distinctive automotive and other glass repair, replacement and installation Products and Services associated with the Marks, and the business methods, uniformity requirements, defined product offerings, automotive and other glass installation

and repair methods, specialized training, standards of quality and service, procedures, specifications and instructions that we establish and modify from time to time.

m) "**Claims and/or Damages**" means all losses, damages, judgments, liabilities, fines, penalties, assessments, and all related expenses, including: (i) damages to real and personal property and damages for loss of use of real and personal property; (ii) damages for lost profits; (iii) special, consequential, exemplary and punitive damages; (iv) personal injury damages; (v) damages resulting from the death of a person or persons, including wrongful death damages; (vi) Costs and Expenses; (vii) amounts paid in settlement of any disputed claims or litigation; (viii) product liability damages; (ix) amounts paid because of any court judgment or court decree, resulting from any civil or criminal claims, demands, allegations, lawsuits, arbitration proceedings, administrative actions or other legal proceedings; and (x) damages assessed under any federal, state or local statutes, rules, regulations or ordinances.

n) "**Competitive Business**" means any business that offers or provides, directly or indirectly, automotive windshield repair or replacement products and services, automotive glass repair or replacement products and services, automotive glass installation products and services, other glass repair, replacement and installation products and services, building contract glazing products and services, and the construction, repair, or replacement of any other glass products, any glass repair products and services, or any glass replacement or installation products and services.

o) "**Confidential Information**" is all information, knowledge, know-how, or trade secrets utilized by or incorporated into the Business System or which concerns your system of operation, Business, customers, programs, services, and practices. Confidential Information includes (without limitation): all elements of the system and all products, services, equipment, technologies, policies, standards, requirements, criteria and procedures that now or in the future are a part of the System; our Operations Manual (as same may be updated from time to time); all specifications, sources of supply, all procedures, systems, techniques and activities employed by us or by you in the offer and sale of products and/or services at or from your Business; all customer lists and records generated and/or otherwise maintained by your Business; additions to, deletions from and modifications and variations of the components of the Business System and the other systems and methods of operations which we employ now or in the future; and, all other information knowledge and know-how which either we or our Affiliates now or in the future designate as confidential.

p) "**Costs and Expenses**" means all costs and expenses incurred in prosecuting or defending any claims or litigation, including court filing fees, witness expenses, deposition costs, investigation expenses, court reporter fees, attorneys' fees, expert witness fees, and travel expenses.

q) "**Designated Supplier**" means the only and exclusive supplier or distributor we approve to supply certain Products and Services we specify in the Operations Manual, including certain windshield repair resins and certain equipment, and may include us or our Affiliate.

r) "**Expiration Date**" has the meaning set forth in Section 3.1 of this Agreement.

s) "**Financial Records**" means financial statements (including all balance sheets and income statements), computer records, bank statements, deposit records, general and special ledgers, sales records, work papers, accounts, federal and state tax returns, financial memos, and other business and financial information relating to the Business.

t) "**Financial Statements**" means a balance sheet, profit and loss statement, statement of cash flow and explanatory footnotes prepared in accordance with generally accepted accounting principles applied on a consistent basis.

u) "**Glass Repair**" means automotive windshield repair Products and Services and all automotive and other glass repair Products and Services.

v) "**Glass Repair and Glass Replacement Products and Services**" means all glass repair products and services offered by the Business in connection with Glass Repair and Glass Replacement.

w) "**Glass Replacement**" means automotive windshield replacement and installation Products and Services and all automotive and other glass replacement and installation Products and Services.

x) "**Gross Revenues**" means the total gross dollar amount received, billed or generated by, in connection with, or from the Business from all cash, credit and charge sales made to your customers or clients for all Products and Services sold to them including all amounts from or relating to Glass Replacement Products and Services, Glass Repair Products and Services, building contract glazing Products and Services, the construction, repair, or replacement of any other glass products, and all other Products and Services of any kind unless we specifically exclude them from the definition of "Gross Revenues" in the Operations Manual or otherwise in writing. "Gross Revenues" includes all sales for Products and Services as of the time that the Products and Services are sold to or completed for your customer or client so as to entitle you to payment, regardless whether or when you receive payment. For purposes of determining "Gross Revenues," there will be no deduction for bad debts or doubtful accounts. However, "Gross Revenues" will not include any sales, use or gross receipts tax imposed by any federal, state, municipal or governmental authority directly upon sales, if (a) the amount of the tax is added to the selling price and is expressly charged to the customer, (b) a specific record is made at the time of each sale of the amount of such tax, and (c) the amount of the tax is paid to the appropriate taxing authority.

y) "**Home Page**" means the home page that we establish for you on our Website.

z) "**Including**" shall mean "including without limitation."

aa) "**Immediate Family**" means an individual Franchisee's (or an Owner's) child (including the spouse of a child), spouse, parent, grandchild or sibling.

bb) "**Initial Equipment Package**" means the Glass Repair and Glass Replacement, supplies and products and equipment we specify that you must lease for the initial operation of the Business.

cc) "**Initial Fee**" has the meaning set forth in subsection 5.1(a) of this Agreement.

dd) "**Initial Franchise Identification Package**" includes an initial supply of decals, invoices, business cards, uniforms, and other logo items you will initially use in the operation of the Business.

ee) "**Initial Glass Repair Training**" has the meaning set forth in Section 9.2 of this Agreement.

ff) "**Initial Glass Replacement Training**" has the meaning set forth in Section 9.3 of this Agreement.

gg) "**Initial Marketing Start-up Package**" will generally include Internet advertising, press releases, business announcements, direct mail advertisements, one or more prospect lists, local area search marketing tools, and other advertising and promotional materials that we deem appropriate.

hh) "**Key Employee**" means a full-time management employee of the Business who has successfully completed all Required Training Programs.

ii) "**Local Advertising Fee**" has the meaning set forth in Section 10.3 of this Agreement.

jj) "**Manager**" means the person who is responsible, on a full-time basis, for the day to day operations and the overall management of the Business.

kk) "**Marketing Contributions**" has the meaning set forth in Section 10.5 of this Agreement.

ll) "**Marks**" means and includes all of the trademarks, service marks, trade names, logos and commercial symbols we own or that are licensed to us that we license to you for use in the Business, including "Novus®", "NOVUS Auto Glass®", "Novus Auto Glass Repair and Replacement®", and "Novus Glass®".

mm) "**Minimum Gross Revenues**" has the meaning set forth in Section 2.9 of this Agreement.

nn) "**Mobile Business**" means that you will operate the Business exclusively from vehicles and will not maintain a fixed retail location from which Products and Services are offered.

oo) "**New Agreement**" has the meaning set forth in Section 3.2 of this Agreement.

pp) "**Novus Social Media Site**" means any Social Media website, profile or account relating to or making reference to us, to your Business or the Business System, that includes all or part of the "Novus®" name, any of the Marks, or a word, phrase or symbol confusingly similar thereto or a variation thereof, as part of the domain name, user name, account name, account profile or page reference.

qq) "**Operations Manual**" means the confidential manuals we develop that describe the operational standards and specifications, and the service and quality standards associated with the Marks and the Business System, whether distributed in hard copy or electronically or otherwise;

rr) "**Owner**" means any person or entity that has an Ownership Interest in the Franchisee.

ss) "**Ownership Interest**" means: (i) shares of capital stock in the Franchisee, if you are a corporation; (ii) a general partnership interest in the Franchisee, if you are a partnership; (iii) a membership interest in the Franchisee if you are a limited liability company or a limited liability partnership; and (iv) any other type of membership or other equity interest in the Franchisee.

tt) "**Payments**" means all payments, compensation and/or other remuneration we receive from any Designated Supplier or Approved Supplier for any purchases of Products or Services

you and/or any other franchisees of ours make, including payments in the form of: (i) rebates; (ii) volume discounts; (iii) advertising and marketing allowances; (iv) co-operative advertising; (v) price discounts; (vi) signing bonuses or initial payments; (vii) promotions; (viii) co-branding of any products or services; (ix) product development and testing; (x) market research; (xi) public relations; (xii) endorsements of any Products or Services; (xiii) goods or services of any kind; (xiv) administrative contributions; and/or (xv) any other form of benefit or consideration. "**Payments**" also means any payments, compensation and/or other remuneration we receive for attaining sales goals or market share in any market in which we or our franchisees operate.

uu) "**Personal Guarantors**" has the meaning set forth in Section 11.33 of this Agreement.

vv) "**Price and Terms**" has the meaning set forth in Section 14.1 of this Agreement.

ww) "**Products and Services**" means (i) all products and services you sell to customers of the Business, including Glass Repair and Glass Replacement Products and Services, which may include but are not limited to recalibration, upholstery, tinting, wipers, bedliners, headlight restoration, paint protection film, windshield protection film, sunroofs, detailing, and any other products or services which may be developed or offered to customers of the Business in the future, and (ii) all supplies, inventory, equipment and technology you use in the Business, including the Initial Equipment Package, other Glass Repair and Glass Replacement equipment, maintenance kits, drill systems, pumps, sprayers, tools, and all other supplies, equipment and technology we may require you to use in the operation of the Business.

xx) "**Re-Franchise Fee**" has the meaning set forth in subsection 3.2(f) of this Agreement.

yy) "**Required Training Programs**" means the training programs referred to in Sections 9.1, 9.2, 9.3 and 9.6 of this Agreement.

zz) "**Resins and Related Products**" has the meaning set forth in Section 7.4 of this Agreement.

aaa) "**Royalty Fee**" has the meaning set forth in Section 5.4(a) of this Agreement.

bbb) "**Sale or Transfer**," "**Sell or Transfer**" and "**Sold or Transferred**" means to sell, assign, trade, give away, transfer, pledge, lease, sub-lease or otherwise dispose of.

ccc) "**Secure Website**" means a password protected Website that we control and is accessible only with our permission.

ddd) "**Social Media**" has the meaning set forth in Section 11.26.

eee) "**Taxes**" or "**Tax**" means all federal, state, city and local taxes including individual and corporate income taxes, sales and use taxes, franchise taxes, gross receipts taxes, employee withholding taxes, FICA taxes, unemployment taxes, inventory taxes, personal property taxes, real estate taxes and other taxes you incur in operating the Business.

fff) "**Term**" has the meaning set forth in Section 3.1 of this Agreement.

ggg) "**Territory**" means the area described in, or outlined on the map attached to, Part 1 of Schedule "B" attached to this Agreement.

hhh) "**Website**" means any interactive electronic document, contained in a network of electronic devices linked by communications software.

SCHEDULE "B"

TERRITORY

This Schedule "B" is attached to and is an integral part of the Franchise Agreement for Mobile Business dated _____, 20____ (the "Franchise Agreement"), between Franchisor and Franchisee.

Part 1 Territory. Franchisor and Franchisee agree that the Territory consists of: **[Describe Area or Attached Map]**

Part 2 Defined Terms. All capitalized terms contained in this Schedule "B" not defined herein will have the same meaning as provided in the Franchise Agreement.

Effective Date. This Schedule "B" is effective as of this _____ day of _____, 20___.

"FRANCHISOR"

NOVUS FRANCHISING 2 LLC

By: _____
Its: _____

"FRANCHISEE"

_____
Legal Name of Franchisee

By: _____

_____
Print Name

Its: _____

SCHEDULE "C"

PERSONAL GUARANTY

In consideration for, and to induce Novus Franchising 2 LLC (the "**Franchisor**") to sign the Franchise Agreement to which this Guaranty is attached (the "**Franchise Agreement**"), each person signing this Guaranty, jointly and severally guarantees to the Franchisor and to the Franchisor's successors and assigns the payment of all fees required to be paid to the Franchisor or its Affiliates by the Franchisee identified in the Franchise Agreement, whether provided for in the Franchise Agreement or under any other agreement between the Franchisor and the Franchisee, and the performance by the Franchisee of all of the provisions of such agreements. The people signing this Guaranty also specifically agree to be individually bound by all covenants, obligations and commitments of the Franchisee contained in the Franchise Agreement to the same extent as if each of the people signing this Guaranty had personally signed the Franchise Agreement as Franchisee.

Each of the people signing this Guaranty understand and agree that any modification of the Franchise Agreement, including any addendum or addenda to the Franchise Agreement, or waiver by the Franchisor of the performance by the Franchisee of any of its obligations under the Franchise Agreement, or the giving by the Franchisor of any extension of time for the performance of any of the obligations of the Franchisee under the Franchise Agreement, or any other forbearance on the part of the Franchisor or any failure by the Franchisor to enforce any of its rights under the Franchise Agreement, including any addendum or addenda to the Franchise Agreement, or any release by the Franchisor of any of the obligations of the Franchisees, will not in any way release any of the people signing this Guaranty from liability under this Guaranty or terminate, affect or diminish the validity of this Guaranty, except to the same extent, but only to such extent, that the liability or obligation of the Franchisee is so released, terminated, or affected or diminished. Notice to the people signing this Guaranty of any such modification, waiver, extension or forbearance under the terms thereof is hereby waived.

No defense available to the Franchisee, except the Franchisee's full performance of its obligations, will be a defense for any of the people signing this Personal Guaranty or release of these people from their guarantees. This Guaranty will be enforceable upon 10 days' written notice by the Franchisor to any of the people signing this Guaranty of any default by the Franchisee of any of its covenants under the terms of the Franchise Agreement and addendum or addenda to the Franchise Agreement, and any other agreement between the Franchisor and the Franchisee.

Each of the people signing this Guaranty hereby waive any and all notice of default on the part of the Franchisee; waive exhausting of remedies or recourse against the Franchisee; and consent to any assignment of the Franchise Agreement, in whole or in part, that the Franchisor or its successors may make.

[The remainder of this page is intentionally left blank; signatures on next page]

IN WITNESS WHEREOF, each of the people signing this Guaranty have done so effective as of the date appearing next to their names.

Dated:

Individually

Address

City State Zip Code

Telephone

Dated:

Individually

Address

City State Zip Code

Telephone

SCHEDULE “D”

AUTHORIZATIONS FOR AUTOMATIC BANK TRANSFER

Direct Payment
Minimum Payment/Direct Deposit Form

We are pleased to offer you a new service—the Direct Payment Plan, which, combined with a direct deposit of insurance payments to you, will allow you to have your minimum royalty payment deducted automatically from your checking or savings account, and allow us to directly deposit insurance payments into your account. And, you won't have to change your present banking relationship to take advantage of this service.

The Direct Payment Plan will help you in several ways:

- It saves time – fewer checks to write.
- Helps meet your commitment in a convenient and timely manner – even if you're on vacation or out of town.
- No lost or misplaced statements, your payment is always on time-it helps maintain good credit.
- It saves postage.
- It's easy to sign up for, easy to cancel.
- No late charges.
- Faster receipt of third-party insurance payments you have earned.

Here's how the Direct Payment Plan works:
You authorize regularly scheduled payments to be made from your checking or savings account for your Minimum Monthly Royalty Fee and any other fixed monthly fee you owe us or our affiliates under your franchise agreement. In addition, we will deposit directly into your account your portion of payments we receive for services you perform for national or regional insurance companies, fleet accounts, or other third-party accounts. Then, just sit back and relax. Your royalty payments will be made automatically on the specified day, and your payments will be received automatically on the specified day. And proof of payments and receipts will appear on your statement. The authority you give to charge your account, and make deposits into your account, will remain in effect until you notify us in writing to terminate the authorization. If the amount of any payment you owe to us changes, we will notify you at least 10 days before payment date. The Direct Payment Plan is dependable, flexible, convenient and easy. To take advantage of this service, complete the attached authorization form and return it to us.

All you need to do is:
1. Mark the box before type of account to indicate whether your minimum royalty payment will be deducted from your checking or savings account. Your payments will be deposited into the same account.

2. Fill in your name, financial institution name and location and date.

3. Attach a voided check for verification of all financial institution information. If you are unable to attach the voided check, please fill in your account number and routing number.

NOTE: Be sure to sign the form!

AUTHORIZATION FOR DIRECT PAYMENT/DEPOSIT

I authorize Novus Franchising 2 LLC to initiate electronic debit entries to my:
○ checking account or ○ savings account for payment of _____.
I understand I will receive a notice if the amount changes. I acknowledge that the origination of ACH transactions to my account must comply with the provisions of U.S. law. Direct payments for Minimum and fixed monthly fees will be made on the 10th of the month (or the first business day after the 10th of the month if the 10th falls on a weekend or holiday).

I further authorize Novus Franchising 2 LLC to initiate deposits into this account of any amounts they receive on my behalf for services provided to a national or regional insurance company, fleet account or other account.

This authority will remain in effect until I have cancelled it in writing.

Staple Voided Check Here

Date _____
Financial Institution Name (Please Print) _____
Account Number at Financial Institution _____
Financial Institution Routing/Transit Number _____
Financial Institution City and State _____

Signature _____

PLEASE KEEP A COPY OF THE AUTHORIZATION FOR YOUR RECORDS

Direct Payment
Percentage Royalty and Marketing Contribution Form

We are pleased to offer you a new service—the Direct Payment Plan for percentage royalties and marketing contributions. Now you can have your payments deducted automatically from your checking or savings account. And, you won't have to change your present banking relationship to take advantage of this service.

The Direct Payment Plan will help you in several ways:

- It saves time – fewer checks to write.
- Helps meet your commitment in a convenient and timely manner – even if you're on vacation or out of town.
- No lost or misplaced statements, your payment is always on time-it helps maintain good credit.
- It saves postage.
- It's easy to sign up for, easy to cancel.

Here's how the Direct Payment Plan works:
You authorize regularly scheduled payments to be made from your checking or savings account for percentage royalties and marketing contributions you owe us under your franchise agreement. Then, just sit back and relax. Your payments will be made automatically on the specified day. And proof of payment will appear on your statement. The authority you give to charge your account will remain in effect until you notify us in writing to terminate the authorization. The Direct Payment Plan is dependable, flexible, convenient and easy. To take advantage of this service, complete the attached authorization form and return it to us.

All you need to do is:
1. Mark the box before type of account to indicate whether your payment will be deducted from your checking or savings account.

2. Fill in your name, financial institution name and location and date.

3. Attach a voided check for verification of all financial institution information. If you are unable to attach the voided check, please fill in your account number and routing number.

NOTE: Be sure to sign the form!

AUTHORIZATION FOR DIRECT PAYMENT

I authorize NOVUS Franchising 2 LLC to initiate electronic debit entries to my:

○ checking account or ○ savings account for payment of my percentage royalty and marketing contributions.

I understand I will receive a notice only if the amount is more than $_____ (insert dollar amount).

Direct payments for percentage royalties and marketing contributions will be made on the 10th of the month (or the first business day after the 10th of the month if the 10th falls on a weekend or holiday).

I acknowledge that the origination of ACH transactions to my account must comply with the provisions of U.S. law.

This authority will remain in effect until I have cancelled it in writing.

Staple Voided Check Here

Date _____

Financial Institution Name (Please Print) _____

Account Number at Financial Institution _____

Financial Institution Routing/Transit Number _____

Financial Institution City and State _____

Signature _____

PLEASE KEEP A COPY OF THE AUTHORIZATION FOR YOUR RECORDS.

NOVUS FRANCHISING 2 LLC

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT D-4: STANDARD RE-FRANCHISE ADDENDUM

NOVUS® STANDARD RE-FRANCHISE ADDENDUM

This Standard Re-Franchise Addendum (this "Addendum") is entered into as of the _____ day of _____, 20__, by and between NOVUS FRANCHISING 2 LLC, a Delaware limited liability company (the "Franchisor," "us" or "we") and _____, a(n) _____ (the "Franchisee," "you" or "your").

INTRODUCTION

You operated a Novus® glass business under a franchise agreement with us that expires on _____. Under the terms of the expiring franchise agreement, you have the right to re-franchise your business if you meet certain conditions. One of the conditions for re-franchising is that you sign our then current form of franchise agreement and any ancillary agreements we use at this time. However, our current form of franchise agreement contains a number of pre-opening obligations on the part of both of us that do not apply on a re-franchise. Therefore, while we have each signed our current form of franchise agreement under which you are re-franchising your Novus® business (the "Franchise Agreement"), we have each agreed to amend the Franchise Agreement as set forth in this Addendum.

In recognition of this Introduction and in consideration of the mutual promises set forth in this Addendum, you and we agree as follows:

1.) Effective Date. The Franchise Agreement, as amended by this Addendum, will be effective _____ (the "Effective Date"), provided you meet the following additional obligations before the Effective Date:

_____

_____

_____

_____

_____

If any of these obligations have not been met before the Effective Date, then the Franchise Agreement will not become effective and all your rights to continue operating your Business as a Novus® business will expire on _____.

2.) Pre-opening Obligations. Because your Business is already operational, all obligations that either of us have that are required to be performed before the opening of your Business are hereby waived. That waiver will not, however, be considered a waiver of any similar obligation that may apply if you move your Business (and you still must obtain our consent to move your Business).

3.) General Release. In consideration of our agreement to re-franchise your Novus® business, you hereby release and forever discharge us and our affiliates, as well as our respective shareholders, directors, officers, employees and agents, in their corporate and individual capacities, and their respective heirs, personal representatives, successors and assigns, from any and all claims you may

have against us and them, known and unknown, from the beginning of time through today, whether the claims are in law or in equity, including but not limited to any claims arising out of the offer or sale of any Novus® franchise to you, and any matters arising under the expiring franchise agreement you have with us.

4.) Ratification. Except as specifically amended by this Addendum, each of us hereby ratify and reaffirm our respective obligations under the Franchise Agreement. All capitalized terms in this Addendum will have the same meaning as provided for in the Franchise Agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, you and we have each signed this Addendum effective as of the day and year appearing on the first page.

"FRANCHISOR"

In the Presence of:

NOVUS FRANCHISING 2 LLC

_____

By: _____
Its: _____

In the Presence of:

"FRANCHISEE"

_____

_____
Legal Name of Franchisee

_____

By: _____

_____

_____
Print Name

_____

Its: _____

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NOVUS FRANCHISING 2 LLC

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT D-5: RE-FRANCHISE (RETIREMENT) ADDENDUM

NOVUS® RE-FRANCHISE (RETIREMENT) ADDENDUM

This Re-Franchise (Retirement) Addendum (this "Addendum") is entered into as of the _____ day of _____, 20__, by and between NOVUS FRANCHISING 2 LLC, a Delaware limited liability company (the "Franchisor," "us" or "we") and _____, a(n) _____ (the "Franchisee," "you" or "your").

INTRODUCTION

You have operated a Novus® glass business under a franchise agreement with us that expires on _____. Under the terms of the expiring franchise agreement, you have the right to re-franchise your business if you meet certain conditions. One of the conditions for re-franchising is that you sign our then current form of franchise agreement and any ancillary agreements we use at this time. However, our current form of franchise agreement contains a number of pre-opening obligations on the part of both of us that do not apply on a re-franchise. In addition, we have agreed to give you certain termination rights that are not contained in our standard form franchise agreement. Therefore, while we have each signed our current form of franchise agreement under which you are re-franchising your Novus® business (the "Franchise Agreement"), we have each agreed to amend the Franchise Agreement as set forth in this Addendum.

In recognition of this Introduction and in consideration of the mutual promises set forth in this Addendum, you and we agree as follows:

1.) Effective Date. The Franchise Agreement, as amended by this Addendum, will be effective _____ (the "Effective Date"), provided you meet the following additional obligations before the Effective Date:

_____

_____

_____

_____

_____

If any of these obligations have not been met before the Effective Date, then the Franchise Agreement will not become effective and all your rights to continue operating your Business as a Novus® business will expire on _____.

2.) Pre-opening Obligations. Because your Business is already operational, all obligations that either of us have that are required to be performed before the opening of your Business are hereby waived. That waiver will not, however, be considered a waiver of any similar obligation that may apply if you move your Business (and you still must obtain our consent to move your Business).

3.) Early Termination. In addition to the rights given you to terminate the Franchise Agreement under Article 16 of the Franchise Agreement, at such time that you reach "retirement age" (for

the purposes of this Addendum, "retirement age" shall be considered fifty five (55) years old), you may terminate the Franchise Agreement at any time, so long as you provide us not less than two (2) years written notice prior to the effective date of such termination (the two (2) year period prior to the effective date of termination will be referred to herein as the "Termination Period"). As a condition to termination, we will have the right, but not the obligation, to purchase the assets of your business on the terms set forth in Paragraph 4 below. If we do not exercise this right, this termination will still be considered a termination in accordance with the provisions of Article 16 of the Franchise Agreement if: (i) during the Termination Period, you make your best efforts to sell your Business upon such reasonable terms and conditions as we require; (ii) during the Termination Period, you take all actions that we reasonably require related to the sale of your Business, and you otherwise cooperate in efforts to sell the Business; and (iii) you do not grant the authority to operate a glass repair or replacement business at the former site of your Business to anyone else who does not sign a franchise agreement with us on terms we prescribe, and you do not sell or transfer your customer lists or other intangible assets to any person who operates a glass repair or replacement business, except pursuant to a franchise agreement with us on terms we prescribe. If you violate any of these conditions, then the termination will be considered to have taken place other than in accordance with the provisions of Article 16 of the Franchise Agreement, and we will continue to have the right to recover other fees and payments that you would have owed us through the original date of expiration of the Franchise Agreement. In all events, you must still comply with all of your other obligations on termination, including compliance with the covenant not to compete contained in Section 18.3 of the Franchise Agreement, and the transfer to us of your telephone number and customer lists.

4.) Purchase Option. If you exercise your right to terminate the Franchise Agreement under the terms of Paragraph 3 above, and we elect to purchase the assets of your business, we have the right to purchase any or all of the following assets on the following terms:

(a) We may purchase your interest in the leasehold for the premises in which the Business has been operated for a fee of $1.00. If we exercise this right, we will assume your remaining future obligations under the lease or sublease for the premises but you must be current in all obligations under your lease or sublease through the date of termination;

(b) We may purchase any vehicles (not leased from us) you were using in the Business for a price equal to the most recent NADA wholesale value of those vehicles, as published 30-days prior to termination of the Franchise Agreement;

(c) We may purchase any new, unused inventory you have in the Business at your cost, including freight;

(d) We may purchase any equipment you were using in the Business at a price equal to the depreciated book value of that equipment, using a straight-line depreciation over a period of 5 years, but with an aggregate price of not less than $1.00;

(e) We may purchase all goodwill and intangible assets of the Business for $1.00; and

(f) We may purchase all office supplies and other tangible assets of the Business at fair market value, not to exceed an aggregate of $100.00.

If we elect to purchase any or all of these assets, we will notify you 30-days prior to the termination of the Franchise Agreement. We will then deliver the purchase price to you at the time of termination of the Franchise Agreement, and you will sign such documents as we may require (including bills of sale and assignments) to transfer the assets to us.

5.) General Release. In consideration of our agreement to re-franchise your Novus® business, and for giving you the termination rights set forth in Paragraph 3, you hereby release and forever discharge us and our affiliates, as well as our respective shareholders, directors, officers, employees and agents, in their corporate and individual capacities, and their respective heirs, personal representatives, successors and assigns, from any and all claims you may have against us and them, known and unknown, from the beginning of time through today, whether the claims are in law or in equity, including but not limited to any claims arising out of the offer or sale of any Novus® franchise to you, and any matters arising under the expiring franchise agreement you have with us.

6.) Ratification. Except as specifically amended by this Addendum, each of us hereby ratify and reaffirm our respective obligations under the Franchise Agreement. All capitalized terms in this Addendum will have the same meaning as provided for in the Franchise Agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, you and we have each signed this Addendum effective as of the day and year appearing on the first page.

"FRANCHISOR"

In the Presence of:

NOVUS FRANCHISING 2 LLC

_____

By: _____
Its: _____

In the Presence of:

"FRANCHISEE"

_____

_____
Legal Name of Franchisee

_____

By: _____

_____

_____
Print Name

_____

Its: _____

4892-8228-0094, v. 4

NOVUS FRANCHISING 2 LLC

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT D-6: GLASS REPAIR ONLY RE-FRANCHISE ADDENDUM

NOVUS® GLASS REPAIR ONLY
RE-FRANCHISE ADDENDUM

This Glass Repair Only Re-Franchise Addendum (this "Addendum") is entered into as of the _____ day of _____, 20__, by and between NOVUS FRANCHISING 2 LLC, a Delaware limited liability company (the "Franchisor," "us" or "we") and _____, a(n) _____ (the "Franchisee," "you" or "your").

INTRODUCTION

You have operated a Novus® glass repair business under a franchise agreement with us that expires on _____. Under the terms of the expiring franchise agreement, you have the right to refranchise your business if you meet certain conditions. One of the conditions for refranchising is that you sign our then-current form of franchise agreement we use at this time. However, our current form of franchise agreement requires the operation of both a glass repair business and a glass replacement business, and you prefer to continue to only operate a glass repair business. We have agreed to accommodate you through this Addendum (and to otherwise modify the form of franchise agreement to apply to a refranchise, rather than a new franchise). Therefore, while we have each signed our current form of franchise agreement under which you are refranchising your Novus® business (the "Franchise Agreement"), we have each agreed to amend the Franchise Agreement as set forth in this Addendum.

In recognition of this Introduction and in consideration of the mutual promises set forth in this Addendum, you and we agree as follows:

1.) Effective Date. The Franchise Agreement, as amended by this Addendum, will be effective _____ (the "Effective Date"), provided you meet the following additional obligations before the Effective Date:

_____

_____

_____

_____

If any of these obligations have not been met before the Effective Date, then the Franchise Agreement will not become effective and all your rights to continue operating your Business as a Novus® business will expire on _____.

2.) Pre-opening Obligations. Because your Business is already operational, all obligations that either of us have that are required to be performed before the opening of your Business are hereby waived. That waiver will not, however, be considered a waiver of any similar obligation that may apply if you move your Business (and you still must obtain our consent to move your Business).

3.) Deletion of Glass Replacement References. All references to "Glass Replacement," are excised from the Franchise Agreement. All references to "ANSI/AGSC Standards," and compliance with such standards, are also excised from the Franchise Agreement.

4.) Minimum Gross Revenues. The provisions of Section 2.9 of the Franchise Agreement are hereby deleted and replaced by the following:

2.9 **Minimum Revenues**. Each year during the term of this Agreement, the Business must attain minimum annual Gross Revenues for Glass Repair Products and Services of $40,000 (the "Minimum Gross Revenues"). A year will be measured from the first day of the month following the month you sign this Agreement. If you do not generate the Minimum Gross Revenues during any year of this Agreement, then we will have the right to terminate this Agreement under the terms of Section 15.1.

5.) Minimum Monthly Royalty Fee. The provisions of subsection 5.4(b) of the Franchise Agreement are hereby deleted and replaced by the following:

(b) *Minimum Monthly Royalty Fees*: If the actual monthly Royalty Fees calculated under subsection 5.4(a) are greater than $300, then you must pay us the amount of the actual monthly Royalty Fees payable for the month. If the actual monthly Royalty Fees calculated under subsection 5.4(a) are less than $300, then you must pay us $300 as the Royalty Fees for that month.

6.) Replacement Services. The provisions of the Franchise Agreement are hereby supplemented by adding the following as a new Section 2.11:

2.11 **No Glass Replacement Products or Services.** Notwithstanding any of the provision of this Agreement, you will have no right to offer glass replacement products or services in the Business. If you receive any inquiries concerning glass replacement services, you will provide to that person the name(s) and telephone number(s) of any Novus Glass Repair and Replacement businesses in your Territory or any other glass replacement business that we may approve in our sole discretion. If there are no Novus Glass Repair and Replacement businesses in your Territory, then you will provide to the person making the inquiry the name and telephone number of the closest Novus Glass Repair and Replacement business to your Territory (or another glass replacement business that we may approve in our sole discretion), unless there is not any such business located within 15 miles of the outer boundaries of your Territory.

7.) Initial Site Selection. The provisions of Sections 8.1 – 8.5 of the Franchise Agreement are hereby deleted from the Franchise Agreement.

8.) Training. The provisions of Sections 9.1 – 9.4 of the Franchise Agreement are hereby deleted from the Franchise Agreement.

9.) Opening Assistance, Initial Advertising. The provisions of Sections 10.1 and 10.2 of the Franchise Agreement are hereby deleted from the Franchise Agreement.

10.) Subcontracting. The provisions of Section 11.31 of the Franchise Agreement are hereby deleted from the Franchise Agreement and be replaced by the following:

11.31 **Subcontracting**. You may not subcontract any Glass Repair services without our consent, which consent may be withheld in our sole discretion. If you ever subcontract Glass Repair services without obtaining our prior approval, it will be considered a breach of a material provision of this Agreement, and we will have the right to terminate this Agreement in accordance with Section 15.1(d).

11.) In-Term Covenant Not to Compete. The provisions of Section 18.2 of the Franchise Agreement are hereby supplemented by adding the following at the end thereof:

18.2 **In-Term Covenant Not to Compete**. You further agree that unless you have demonstrated to us that you have been regularly offering, selling and providing glass replacement or installation products and services ("Replacement Services") prior to the date you began operating as a Novus® franchisee, then you, your Owners, and the Personal Guarantors, and the members of your and their Immediate Families will not, during the term of this Agreement, for your or their own account, or as an employee, agent, consultant, partner, officer, director, member, or owner of any other person, firm, entity, partnership, company or corporation, own, operate, lease, franchise, conduct, engage in, consult with, be connected with, have any interest in, or assist any person or entity engaged in any business that offers, sells or provides Replacement Services without entering into a new franchise agreement with us that authorizes you to provide Replacement Services.

If you can demonstrate to us that you regularly offered, sold and provided Replacement Services prior to the date you began operating as a Novus® franchisee, then the foregoing will not prevent you from continuing to offer, sell and provide Replacement Services, provided you do so separate from the Business, and provided you meet the following conditions:

(a) The Replacement Services may not be offered under the "Novus" name and you may not use any of the Marks in your Replacement Services business.

(b) The Replacement Services may not be offered under a name that is confusingly similar to the name "Novus" or any of the Marks.

(c) The Replacement Services must be advertised and marketed separately from the other aspects of the Business, including separate Yellow Pages and internet advertising.

(d) You must maintain a separate phone number, fax number and email address for the Replacement Services business from those you maintain for the Business.

(e) A business location at which you interact face-to-face with both customers of the Business and customers of your Replacement Services business must meet the following specifications:

(i) It must have approved Novus exterior signage that is equal to or larger than the signage of the Replacement Services business.

(ii) It must have interior merchandising that meets our specifications.

(iii) It must meet all other requirements of a fixed location as set out in the Franchise Agreement.

(f) The invoices and bills that customers receive for the Replacement Services may not display or use the "Novus" name or any of the Marks.

(g) The Replacement Services must be managed and accounted for by you using separate checks, books and business records from those used in the Business.

(h) You may not use any vehicle in connection with your Replacement Services that displays the "Novus" name or any of the Marks.

(i) While conducting Replacement Services, you, your employees and your affiliates may not wear any clothing or uniform that displays the "Novus" name or the Marks, unless we have given you our prior written approval.

We will not initially require you to pay us Royalty Fees or any other fees based on your Gross Revenues from Replacement Services, but if you fail to comply with any of the terms of this Section 18.2, then you must begin paying Royalty Fees and satisfying required advertising expenditures due under this Agreement, as of the date of the breach of these provisions, on all Gross Revenues you received from Replacement Services. In addition, if you fail to comply with any of the terms of this Section 18.2, then in addition to all of the rights and remedies we may have as a result of your default, our right to audit and review your Financial Records, will include all records related to your Replacement Services business. In all cases, Gross Revenues from the Replacement Services will not count toward the required Minimum Gross Revenues or the Minimum Monthly Royalty Fees or in the calculation of the amount we will spend on Marketing Expenditures.

12.) Post-Term Covenant Not-to-Compete. The provisions of Section 18.3 of the Franchise Agreement shall be supplemented by adding the following sentence immediately following the first sentence thereof, and prior to the last two sentences thereof:

Notwithstanding the foregoing, if, prior to the date you began operating as a Novus® franchisee you had any involvement in a business that offered, sold and provided Glass Replacement Products and Services, the term "Competitive Business" shall not be deemed to refer to the continued operation of that prior business, provided that business does not offer, sell or provide Glass Repair Products and Services.

13.) General Release. In consideration of our agreement to re-franchise your Novus® business, you hereby release and forever discharge us and our affiliates, as well as our respective shareholders, directors, officers, employees and agents, in their corporate and individual capacities, and their respective heirs, personal representatives, successors and assigns, from any and all claims you may have against us and them, known and unknown, from the beginning of time through today, whether the claims are in law or in equity, including but not limited to any claims arising out of the offer or sale of any Novus® franchise to you, and any matters arising under the expiring franchise agreement you have with us.

14.) Ratification. Except as specifically amended by this Addendum, each of us hereby ratify and reaffirm our respective obligations under the Franchise Agreement. All capitalized terms in this Addendum will have the same meaning as provided for in the Franchise Agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, you and we have each signed this Addendum effective as of the day and year appearing on the first page.

"FRANCHISOR"

In the Presence of:

NOVUS FRANCHISING 2 LLC

_____

By: _____
Its: _____

In the Presence of:

"FRANCHISEE"

_____

_____
Legal Name of Franchisee

_____

By: _____

_____

_____
Print Name

_____

Its: _____

4895-7627-4846, v. 1

NOVUS FRANCHISING 2 LLC

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT D-7: DELAY OF VEHICLE LEASING REQUIREMENT ADDENDUM

DELAY OF VEHICLE LEASING REQUIREMENT ADDENDUM TO NOVUS® FRANCHISE AGREEMENT

This Delay of Vehicle Leasing Requirement Addendum (this "Addendum") is entered into as of the ____ day of _____, 20__, by and between Novus Franchising 2 LLC, a Delaware limited liability company (the "Franchisor," "us" or "we") and _____, a _____ (the "Franchisee," "you" or "your").

INTRODUCTION

Franchisee is signing a Franchise Agreement for the operation of a Novus [Retail/Mobile] location [from premises] located _____ (the "**Franchise Agreement**") contemporaneously with the signing of this Addendum. Unless Franchisor otherwise agrees, in its sole discretion, under the Franchise Agreement Franchisee is required to sign an agreement to lease a vehicle from Franchisor (the "**Vehicle Lease Agreement**"). Both Franchisor and Franchisee wish to delay the signing of the Vehicle Lease Agreement without waiving the requirement that the Vehicle Lease Agreement be signed.

In recognition of this Introduction and in consideration of the mutual promises set forth in this Addendum, Franchisee and Franchisor agree as follows:

1.) Signing Date of Vehicle Lease Agreement. Franchisee shall sign Franchisor's then-current form Vehicle Lease Agreement, and pay all fees and costs, at then-current prices, associated with the Vehicle Lease Agreement and Franchisor's then-current Vehicle Leasing Program, on or before _____, 20__. Franchisee and Franchisor agree that the requirement for Franchisee to sign the Vehicle Lease Agreement is not waived and remains in full force and effect.

2.) Franchisee Acknowledgments. Franchisee acknowledges and accepts that, as a result of not signing Franchisor's current Vehicle Lease Agreement immediately upon signing the Franchise Agreement, Franchisee may incur greater costs in acquiring a vehicle than it would if it leased the Vehicle from Franchisor. In addition, Franchisee acknowledges and accepts that at the time it signs Franchisor's then-current form Vehicle Lease Agreement, the terms of that document may be different than the terms in Franchisor's current form Vehicle Lease Agreement, and Franchisee may be required under that agreement to pay higher fees to Franchisor or its affiliates and incur higher costs than those disclosed in the franchise disclosure document(s) Franchisor has provided to Franchisee prior to the date of this Addendum.

3.) Ratification. Except as specifically amended by this Addendum, each of us hereby ratify and reaffirm our respective obligations under the Franchise Agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, you and we have each signed this Addendum effective as of the day and year appearing on the first page.

"FRANCHISOR"

NOVUS FRANCHISING 2 LLC

By: _____

Its: _____

"FRANCHISEE"

[ENTITY]

By: _____

_____
Print Name

Its: _____

4872-0000-4254, v. 2

NOVUS FRANCHISING 2 LLC

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT D-8: MULTIPLE STORE OPERATOR (MSO) ROYALTY CREDIT PROGRAM ADDENDUM

NOVUS® MULTIPLE STORE OPERATOR (MSO)
ROYALTY CREDIT PROGRAM ADDENDUM

This Multiple Store Operator (MSO) Royalty Credit Program Addendum (this "Addendum") is entered into as of the ____ day of _____, 20___, by and between NOVUS FRANCHISING 2 LLC, a Delaware limited liability company (the "Franchisor," "us" or "we") and _____, a(n) _____ (the "Franchisee," "you" or "your").

INTRODUCTION

Franchisor and Franchisee have entered into a Novus Glass Repair & Replacement Franchise Agreement for Retail Location (the "Franchise Agreement") for the operation of a Novus® Retail Location located at the following address: _____. In addition to the Franchise Agreement, Franchisee or a Related Entity (as defined below) has entered into a Novus Glass Repair & Replacement Franchise Agreement for Retail Location with Franchisor for the operation of one or more other Novus® retail locations. The Franchise Agreement and these other franchise agreements are collectively referred to herein as the "Franchise Agreements," and the Retail Location and these other Novus® retail locations are collectively referred to herein as the "Retail Locations." For purposes of this Addendum, a "Related Entity" is a Franchisee affiliate with the same ownership structure as Franchisee, collectively referred to herein as "Related Entities".

As described below, Franchisor has developed a royalty credit program (the "MSO Royalty Credit Program") for franchisees that operate multiple Novus® retail locations (also referred to as stores). Franchisor has agreed to offer the MSO Royalty Credit Program to Franchisee, and Franchisee has agreed to participate in the MSO Royalty Credit Program, consistent with the terms of this Addendum. Therefore, Franchisor and Franchisee desire to amend the Franchise Agreement to allow Franchisee to participate in Franchisor's MSO Royalty Credit Program.

In recognition of this Introduction and in consideration of the mutual promises set forth in this Addendum, Franchisee and Franchisor agree as follows:

1. Quarter. For purposes of this Addendum, a "Quarter" will mean one of the following three (3) consecutive month periods: January 1st to March 31st, April 1st to June 30th, July 1st to September 30th, and October 1st to December 31st.

2. Quarterly Credit. Subject to the requirements outlined below and beginning with the first full Quarter following the execution this Addendum, Franchisor hereby agrees to provide a Royalty Fees credit to Franchisee ("Quarterly Credit"). If Franchisee and its Related Entities achieve a combined Gross Revenue for all Retail Locations operated by Franchisee and its Related Entities in a Quarter ("Combined Retail Location Quarterly Gross Revenue") within one of the ranges in the MSO Royalty Credit Program Quarterly Schedule below, Franchisor will calculate the corresponding Quarterly Credit, which will be a percentage of Gross Revenues for that Quarter. Franchisor will then apply the Quarterly Credit to Royalty Fees due to Franchisor under the Franchise Agreements for the immediately following Quarter. By way of example, if the Combined Retail Location Quarterly Gross Revenue of Franchisee and its Related Entities was $425,000.00 in Quarter 2 of a given calendar year and Franchisee and its Related Entities paid to Franchisor $25,500.00 in Royalty Fees in Quarter 2, Franchisor would then apply a Royalty Credit in the amount of $4,250.00 towards Royalty Fees to be paid by Franchisee and its Related Entities under the Franchise Agreements in

Quarter 3. Franchisor shall have the right in its sole and absolute discretion to determine how to allocate any Quarterly Credit among Franchisee and its Related Entities.

MSO Royalty Credit Program Quarterly Schedule

Combined Retail Location Quarterly Gross Revenue*	Quarterly Credit
$425,000.00 to $499,999.99	1% of Gross Revenues
$500,000.00 to $574,999.99	1.5% of Gross Revenues
$575,000.00 or more	2% of Gross Revenues

3. Requirements. To qualify for a Quarterly Credit, Franchisee and its Related Entities must meet all of the following requirements during any Quarter:

    a) Franchisee and its Related Entities must operate at least two (2) Retail Locations at all times during the Quarter.
    b) Franchisee and its Related Entities must achieve Combined Retail Location Quarterly Gross Revenue within one of the ranges provided in the MSO Royalty Credit Program Quarterly Schedule;
    c) Franchisee and its Related Entities must not be in breach of any of the provisions of any of the Franchise Agreements during the Quarter, whether or not Franchisor has provided Franchisee or its Related Entity, as applicable, with notice of such breach, including without limitation the failure to submit timely payments and reports, or failure to exclusively purchase Novus products for all services performed under the Franchise Agreements;
    d) Franchisee and its Related Entities must have attended the most recent previously held national, regional, or local meeting ; and
    e) Any other requirements specified from time to time by Franchisor which are applicable to all Retail Locations.

4. Right to Modify or Discontinue MSO Royalty Credit Program. Franchisor reserves the right, in its sole and absolute discretion, to modify any term of the MSO Royalty Credit Program, or to discontinue the MSO Royalty Credit Program, at any time, including but not limited to amending the Combined Retail Location Quarterly Gross Revenue targets and ranges, the Quarterly Credit amounts, or any other requirements to qualify for the MSO Royalty Credit Program. Franchisor shall provide notice to Franchisee of any such modification or discontinuance of the MSO Royalty Credit Program. Notwithstanding the forgoing, any modification or discontinuance of the MSO Royalty Credit Program made in a Quarter shall not apply to that Quarter, but to the immediately following Quarter.

5. Termination. This Addendum will automatically terminate if Franchisee and its Related Entities cease to have two (2) or more Retail Locations. In addition, if Franchisor discontinues the MSO Royalty Credit Program during a particular Quarter, this Addendum will terminate at the end of that Quarter, although Franchisor will still apply any Quarterly Credit due to Franchisee and its Related Entities for that Quarter to Royalty Fees due to Franchisor for the immediately following Quarter.

6. Ratification; Definitions. Except as specifically amended by this Addendum, Franchisee and Franchisor each hereby ratify and reaffirm their respective obligations under the Franchise Agreement. All capitalized terms in this Addendum not specifically defined herein will have the same meaning as provided for in the Franchise Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed as of the date first written above.

"FRANCHISOR"

NOVUS FRANCHISING 2 LLC

By: _____

Its: _____

"FRANCHISEE"

[ENTITY]

By: _____

_____
Print Name

Its: _____

4885-4237-9421, v. 4

NOVUS FRANCHISING 2 LLC

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT D-9: NAPA CO-LOCATION ADDENDUM

NAPA CO-LOCATION ADDENDUM TO
NOVUS® FRANCHISE AGREEMENT

This NAPA Co-Location Addendum (this "**Addendum**") is entered into as of the ____ day of _____, 20___, by and between Novus Franchising 2 LLC, a Delaware limited liability company (the "**Franchisor**," "**us**" or "**we**") and _____, a _____ (the "**Franchisee**," "**you**" or "**your**").

INTRODUCTION

WHEREAS, you are signing a Novus Glass Franchise Agreement (the "**Franchise Agreement**") for the operation of a Novus® retail business located at _____ (defined as the "**Business**" in the Franchise Agreement) contemporaneously with the signing of this Addendum.

WHEREAS, we and National Automotive Parts Association, a Georgia corporation ("**NAPA**") have entered into a Master Promotion Agreement ("**MPA**") to promote the Novus® retail franchise offering to certain operators of NAPA Auto Care Service Centers located in the United States.

WHEREAS, the Business will be operated in connection with the operation of other business(es) offering other automotive-related goods and services (in conjunction with the "NAPA Auto Care" designation and program), certain provisions of the Franchise Agreement will not be applicable to the Business and its operation, and certain other provisions need to be added to the Franchise Agreement to govern the Business and its operation.

NOW, THEREFORE, in light of this Introduction and in consideration of the mutual promises set forth in this Addendum, you and we agree as follows:

1. **Definitions**. Capitalized terms used but not defined in this Addendum have the meanings ascribed thereto in the Franchise Agreement.

2. **Your Related Parties**. The term "**Your Related Parties**" shall mean all of your affiliates, and other related individuals and entities that, either directly or indirectly, own, are owned by, or share common ownership interest with you. For purposes of this Addendum, the term Your Related Parties is meant to include, without limitation, those individuals and entities that will operate Other Businesses (as defined below).

3. **NAPA Good Standing; Termination for Breach**. You represent and warrant that you, and Your Related Parties operating Other Businesses and the Other Businesses, to the extent applicable, are in good standing with, and have no outstanding payments due to NAPA under NAPA's auto care program, or otherwise. You acknowledge and agree that you shall, and shall ensure Your Related Parties operating Other Businesses and the Other Businesses, as applicable, shall, maintain good standing with NAPA throughout the term of the Franchise Agreement. If you, or Your Related Parties operating Other Businesses or the Other Businesses, as applicable, are not in good standing with NAPA at any point during the term of the Franchise Agreement, we shall have the right to terminate the Franchise Agreement, subject to a right to cure within 30 days of receiving written notice of such default. This termination right is in addition to our other termination rights described in Article 15 of the Franchise Agreement.

4. **Shared Facility**. Section 2.5(a) of the Franchise Agreement is amended by adding the following sentences to the end of the Section:

> The Business is part of a larger site (the "**Facility**") at the street address specified as the Retail Location in Schedule "B" and it occupies that portion of the Facility indicated on the site plan (the "**Site Plan**") attached as Appendix 2 to this Addendum. In addition to the Business, you and/or Your Related Parties operate those other businesses (the "**Other Businesses**") (and offer the identified goods and services under those other businesses) at the Facility identified in Appendix 1 attached to this Addendum. Before you make any changes to the Facility, you must submit to us an updated Site Plan, which we must approve or deny, in our sole discretion. Once such Site Plan has been approved by us, it shall be added to Appendix 2 to this Addendum as the updated Site Plan.

5. **Mixed Local Advertising**. Section 10.3 of the Franchise Agreement is amended by adding the following sentences at the end of the Section:

> You may not jointly advertise the Business with the Other Businesses at the Facility operated by you, or Your Related Parties, unless we expressly permit you to do so in writing. If we permit you to advertise Other Businesses along with the Business, only 50% of the cost of such advertisements may be applied to your 4% local advertising obligation. We must approve any such advertisements and may revoke such approval in our sole discretion at any time upon written notice to you.

6. **Standards of Quality and Service**. Section 11.3 of the Franchise Agreement is hereby deleted and replaced with the following:

> 11.3 **Standard of Quality and Service**. We will from time to time publish uniform standards of quality and service for the Business System (including specific standards relating to Novus® franchisees that sign a NAPA Co-Location Addendum and operate their Novus® franchise from a shared facility with other businesses, like those covering the location and operation of the Novus® franchise, shared facility and other businesses), to protect and maintain (for our benefit and for the benefit of all "Novus®" franchisees) the distinction, goodwill and uniformity represented and symbolized by the marks and the Business System. You agree to comply with all such standards, which will include replacement of graphics, signage and equipment as necessary to comply with our then current standards for the Business, the Facility, and the Other Businesses. We also have the right to establish reasonable standards of quality and service specific to the Business, the Facility, and the Other Businesses, based on the unique characteristics of the Business, the Facility, and the Other Businesses.

7. **Co-Branded Advertising**. Section 11.5(c) of the Franchise Agreement is amended by adding the following sentence at the end of the Section:

If approved by us, you shall be permitted to use and advertise the trade names, trademarks, service marks, logos, or commercial symbols of the Other Businesses, either separate from or jointly with, the Marks. Such approval may be revoked at any time, in our sole discretion, upon written notice to you.

8. **Facility Signage**. Section 11.7 of the Franchise Agreement is amended by adding the following sentences at the end of the Section:

> The exterior signage required to be installed at the Retail Location, per the previously mentioned requirements, shall be installed at the Facility, per our specifications and written approval, and, once installed, must be maintained in a state of good repair and maintenance consistent with the requirements described above. We have the right to approve (to be granted or withheld in our sole discretion) all signage bearing the Marks at the Facility. Unless otherwise approved by us in writing (in our sole discretion) all signage bearing the Marks shall be of a size at least equal to that of the signage for the Other Businesses at the Facility. No sign, logo or advertising media of any kind, to which we object as being inconsistent with the image and goodwill of the Marks, the Business, and/or the Business System, shall be displayed in or upon the Facility.

9. **Facility Maintenance and Cleanliness**. Section 11.8 of the Franchise Agreement is amended by adding the following sentences at the end of the Section:

> Additionally, you shall, or shall ensure that Your Related Parties shall, at your or Your Related Parties expense, maintain the premises of the Facility in a high degree of cleanliness, tidiness, repair, safety and condition. To the extent any of the shared spaces in the Facility do not meet our minimum qualifications for such amenities, you shall make, or ensure that Your Related Parties make, all additions, alterations, repairs and replacements as may be reasonably required for that purpose, or as may be required by us.

10. **Our Right to Review**. The first sentence of Section 11.12 of the Franchise Agreement is deleted and replaced with the following sentence:

> We or our representatives will have the right, including the rights enumerated below, at all times to inspect: (a) the Retail Location; (b) the Facility; (c) your vehicles; and (d) your inventory. Such rights are limited to those related to or used in the Business, as well as any parts of Other Businesses which are customer facing.

The last four sentences of Section 11.12 of the Franchise Agreement are deleted and replaced with the following sentences:

> You, and Your Related Parties, as applicable, agree that we have the right to take photographs, and make video, digital and/or audio recordings during any inspection we make. We also may interview and otherwise communicate with customers of the Business or Other Businesses. We expect you and your staff,

and Your Related Parties that operate the Other Businesses and their staff, as applicable, to co-operate fully with such inspection. You are responsible for obtaining any consents required in carrying out the obligations of this Section 11.12, including consents from Your Related Parties.

11. **Uniforms**. Section 11.17 of the Franchise Agreement is amended by adding the following sentence at the end of the Section:

> Unless otherwise allowed by us, in our sole discretion, you shall ensure that employees of the Business: (1) wear the uniforms and standard attire bearing the Marks when performing operations or services for the Business, and (2) do not wear other uniforms or attire bearing the trade names, trademarks, service marks, logos, or commercial symbols of the Other Businesses when performing operations or services for the Business; and (3) do not wear the Marks when performing operations or services for the Other Businesses.

12. **Facility Hours**. Section 11.18 of the Franchise Agreement is amended by adding the following sentence at the end of the Section:

> Notwithstanding the foregoing, you will not be required to operate the Business when the Other Businesses at the Facility are not operating.

13. **Photographs and Recording of the Facility**. Section 11.32 of the Franchise Agreement is deleted in its entirety and replaced with the following:

> 11.32 **Photographs and Recordings of Your Business**. We have the right, at any time, to photograph, and make video and other recordings of any aspect of the Business, including the Retail Location, the Facility, or the Other Businesses located at the Facility, and associated vehicles and signage, and to use such photographs, videos and other recordings in any advertising and promotional material, in any form or medium now existing or later developed. We may use these items without providing notice to you or Your Related Parties that operate the Other Businesses, or receiving your consent, and we will not be obligated to make attribution or to compensate you or Your Related Parties for their use. At our request, you will cooperate, and ensure that Your Related Parties that operate the Other Businesses cooperate, with us in taking and arranging for such photographs, videos and other recordings, and for obtaining the necessary consents of or assignments from individuals depicted in or involved in such photographs, videos and other recordings. You irrevocably assign to us, and shall ensure that Your Related Parties that operate the Other Businesses irrevocably assign to us, all of your and Your Related Parties' right, title, and interest, if any, in and to all such photographs, videos and other recordings, together with all related intellectual property rights. You are responsible for obtaining any consents necessary to allow us to exercise our rights in this Section 11.32, including consents from Your Related Parties.

14. **Additional Insurance Obligations**. Article 12 of the Franchise Agreement is amended by adding the following new Section 12.10:

> 12.10 **Additional Insurance Obligations**. For the insurance obligations set forth in this Article 12, "Retail Location," as used herein, shall include the Facility. In addition, you shall ensure that you and Your Related Parties that operate Other Businesses have insurance policies in place that meet the insurance obligations described in this Article 12, and those insurance policies must name us as an additional named insured, and provide that we will receive copies of all notices of changes in these policies, or cancellation, nonrenewal, or coverage reduction or elimination, at least 30 days before any cancellation, nonrenewal or change takes effect. Before operating the Business, and immediately after changing any insurance coverage, you must provide us with certificates of insurance confirming you and Your Related Parties that operate Other Businesses have obtained all the insurance coverage we require.

15. **Our Right of First Refusal**. Section 14.1 of the Franchise Agreement is amended by adding the following sentence at the end of the Section:

> Notwithstanding anything to the contrary in this Article 14, you acknowledge and agree that if a proposed Sale or Transfer of Business Assets is subject to our right of first refusal under this Section 14.1 and is being made in conjunction with your or Your Related Parties' proposed sale or transfer of any Other Businesses at the Facility, then our right of first refusal under this Section 14.1 shall cover just the Business, or the Business and any of the Other Businesses at the Facility that are being sold or transferred, in our sole discretion.

16. **Transfer of Other Businesses; Owner**. Section 14.9 of the Franchise Agreement is amended by adding the following sentence at the end of the Section:

> You must notify us of any intent by you or Your Related Parties to transfer the Other Businesses, or any ownership interest of or partial ownership thereof, to a different owner. You must provide any information we request regarding the proposed transfer of the Other Businesses, including the identity of the proposed transferee. You acknowledge and agree that, due to the proximity and shared operational aspects of the Business and the Other Businesses, we have the right to terminate this Agreement if any part of, or the entirety of, any Other Businesses are transferred to an individual or entity which we have not approved or do not approve, in our sole discretion.

17. **Exception to Covenants Not-to-Compete**. Article 18 of the Franchise Agreement is amended by adding the following new Section 18.4:

> 18.4 **Exception to Covenants Not-to-Compete**. You represent and warrant that the Other Businesses are not a Competitive Business and will not offer or sell the Products and Services. The preceding restrictions in this Article 18 will not be breached by the operation by you and/or Your Related Parties of the Other Businesses at the Facility, so long as the Other Businesses do not offer any of the

Products and Services. You agree that you and Your Related Parties that operate Other Businesses shall obtain our prior written consent, to be granted or withheld in our sole discretion, before substituting, adding or removing any business at the Facility.

18. **Indemnification by You**. Section 19.1 of the Franchise Agreement is deleted in its entirety and replaced with the following:

> 19.1 **Indemnification by You**. We are not responsible for Claims and/or Damages arising out of, from, as a result of, or in connection with your or Your Related Parties' operation of the Business, the Other Businesses, or any other activity at the Facility. You agree to indemnify us and our Affiliates against, and reimburse us and our Affiliates for, all Claims and/or Damages we incur in defending any claim brought against us or in any action in which we are named as a party arising out of, from, as a result of, or in connection with the Business, the Other Businesses, the Retail Location, the Facility, and/or the operation of the Business or the Other Businesses, including Claims and/or Damages arising from: (a) any personal injury, property damage, commercial loss or environmental contamination resulting from any act or omission by you or Your Related Parties, or your or Your Related Parties' employees, agents or representatives; (b) any failure on your or Your Related Parties' part to comply with any federal, state or local laws or regulations; (c) your failure to pay any of your debts or obligations; (d) Your Related Parties' failure to pay any of their debts or obligations; or (e) your or Your Related Parties' failure to comply with any requirement or condition of this Agreement or any other agreement with us or our Affiliates. We will have the right to defend, at your expense, any claim made against us arising out of, from, as a result of, or in connection with the Business, the Other Businesses, the Retail Location, the Facility.

19. **Other Businesses Gross Revenues**. The definition of "Gross Revenues" included in Paragraph x in Schedule "A" of the Franchise Agreement is amended by adding the following sentences at the end of Paragraph x:

> Gross Revenues shall not include revenues from any Other Businesses operated by you or Your Related Parties at the Facility, other than the Business. If you or any of Your Related Parties sell, or permit to be sold, any products or services under the Marks in the Facility, even if such products and services are not those customary to the Business, such revenues shall be included in Gross Revenues. Windshield wipers and wiper fluid sales shall be included in Gross Revenues only with respect to windshield wipers and wiper fluid ordered, sold, or provided in connection with services rendered at the Business. You agree to enter any such sales into the Novus point of sale system.

20. **Separate Business and Legal Entity**. Prior to entering into the Franchise Agreement (and this Addendum) you must set up a separate and distinct legal entity to own and operate the Business and act as the Franchisee under the Franchise Agreement. You may not use the same Franchisee

legal entity to own and operate the Other Businesses. You acknowledge and agree that the only business you will conduct is that of the Business, and that you will not own or operate the Other Businesses, except through Your Related Parties, or as otherwise permitted in writing by us.

21. **Amendment and Ratification**. This Addendum shall be considered a part of the Franchise Agreement and shall be governed by the provisions of the Franchise Agreement. You acknowledge and agree that this Addendum, on the whole, confers substantial benefits on you in connection with the operation of the Novus® retail business at the Retail Location. Except as specifically modified by this Addendum, each of the parties hereby ratifies and reaffirms its respective obligations under the Franchise Agreement.

22. **Counterparts**. This Addendum may be executed in multiple counterparts, each of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the date first above written.

FRANCHISOR:

NOVUS FRANCHISING 2 LLC

By: _____

Its: _____

FRANCHISEE:

By: _____

_____

Print Name

Its: _____

APPENDIX 1

OTHER BUSINESSES OPERATED AT THE FACILITY

OTHER BUSINESS NAME	OWNER OF OTHER BUSINESS	CONTACT EMAIL/PHONE	DESCRIPTION OF GOOD & SERVICES

APPENDIX 2

SITE PLAN

4857-0257-7070, v. 10

NOVUS FRANCHISING 2 LLC

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT E: VEHICLE LEASE AGREEMENT

VEHICLE LEASE AGREEMENT

Lease Number:	
Date of Lease:	
Lessee/Franchisee – Name and Address ("**You**" and "**Yours**")	**Guarantor(s)** – Name and Address of each Guarantor (if any) (each a "**Guarantor**" and collectively, the "**Guarantors**")
Lessor/Franchisor – Name and Address ("**We**," "**Us**" and "**Our**") Novus Franchising 2 LLC 650 Pelham Blvd #100 St. Paul, Minnesota 55114	

BACKGROUND

Franchisor's parent, Mondofix USA LLC ("**Parent"**), has entered into a master lease agreement ("**Head Lease**") with Doering Leasing Co. ("**Head Lessor**"), an unrelated third party, pursuant to which Parent and Franchisor have been granted the right to lease certain vehicles and/or equipment from Head Lessor, and to sublease such vehicles and/or equipment to Franchisor's franchisees. Parent's address is the same as ours, and Head Lessor's address is 15300 West Capitol Dr., Brookfield, Wisconsin 53005.

Franchisee has entered into a franchise agreement with Franchisor dated _____, 20___ (the "**Franchise Agreement**"). As part of the Franchise Agreement, Franchisee agreed to lease at least one (1) vehicle from Franchisor. This agreement sets out the terms of this Vehicle Lease Agreement ("**Lease**").

References to "You" or "Yours" (in uppercase or lowercase letters) mean Lessee/Franchisee. References to "We," "Us" or "Our" (in uppercase or lowercase letters) mean Lessor/Franchisor or any of its successors or assigns. References to "Lease" mean this document and any schedules attached to it. The subject matter of this Lease is the motor vehicle described below, together with the buildout of the vehicle described below, which may include shelving, racks and storage areas for tools and materials, an exterior graphics package, and other equipment and accessories (collectively, the "**Vehicle**").

1. VEHICLE DESCRIPTION

YEAR **[2021]**	MAKE **[FORD]**	MODEL **[E1YA T-150 LR CARGO VAN]**	VIN: To be set out in Schedule A – Delivery and Acceptance Certificate
COLOR **[OXFORD WHITE]**	NO. CYL./ENGINE **[3.7L TIVCT V6 ENGINE]**		LICENSE PLATE: To be set out in Schedule A – Delivery and Acceptance Certificate
VEHICLE USE	☑ BUSINESS		
BUILDOUT: To be set out in Schedule A – Delivery and Acceptance Certificate			

2. MONTHLY PAYMENT CALCULATION; LUMP SUM TAX PAYMENT

(1) Base Monthly Lease Payment and Monthly Administration Fee $_____

(2) Monthly Tax* + $_____

(3) Total Monthly Payment = $_____

(4) Term of Lease 60 months

(5) Total of all Monthly Payments (Row 3 times Row 4) = $_____

* If you are located in a jurisdiction that requires taxes on the Vehicle to be paid in a lump sum rather than on a monthly or annual basis, you must pay the entire lump sum amount to us on the Vehicle Delivery Date.

Lump Sum Tax Payment (if applicable) = $_____

3. RENT PAYMENTS

You agree to pay sixty (60) payments of $_____ as your rent for the Vehicle. This is inclusive of all

taxes (except for any lump sum tax payments) and must be paid on the times and dates set out. The rental may be adjusted for changing tax rates. You may not withhold your rental payment for any reason whatsoever even if the Vehicle does not work or perform as you wish or if you have any claim or dispute under the Franchise Agreement. This is an absolute and unconditional obligation. The first payment is due on the Vehicle Delivery Date as specified in Schedule A. The remaining payments are due on the tenth (10^{th}) day of each month during the term of this Lease, starting with the month immediately following the Vehicle Delivery Date.

Depending upon your jurisdiction, taxes may be due monthly, annually, or in a lump sum at the beginning of this Lease. We will pay any taxes due when due. If taxes are due in a lump sum at the beginning of the Lease, you must pay us the lump sum amount for the taxes on the Vehicle Delivery Date. If taxes are due on a monthly or annual basis, we will bill you a pro rata amount monthly over the term of this Lease, at the same times and in the same manner as the monthly rent payments. Your obligation to pay the rental payment includes the obligation to pay the monthly tax payment, as applicable.

4. POSSESSION OF VEHICLE

You will take possession of the Vehicle on the Vehicle Delivery Date at the location we specify. We will attempt to arrange for this location to be at a dealership or other location within your market, so there are no shipping or delivery fees. If that is not possible, however, and we are required to ship or have the Vehicle delivered to a dealership or other location within your market, you will be required to pay the shipping or delivery fees to us. Upon delivery and before taking possession of the Vehicle, you will inspect the Vehicle and sign the Delivery and Acceptance Certificate attached as Schedule A to this Lease confirming that the Vehicle is in good operating condition and working order, and you have accepted it and have taken delivery of it as of the Vehicle Delivery Date.

5. TERM AND TERMINATION

The term of this Lease shall continue for the period set forth in section 2(4), unless this Lease is otherwise terminated in accordance with its terms. You have no right of early termination. We may terminate this Lease before the scheduled end of its term if a Default (as defined below) occurs. In addition, as described in the Background section, you understand that this Lease is a sublease, and we have entered into a lease for this Vehicle with Head Lessor. If our lease for the Vehicle or our Head Lease is terminated for any reason, then this Lease will likewise be terminated and your rights under this Lease will be subordinate to the rights of the lease which we entered into with the Head Lessor.

6. END OF TERM

If you remain in possession of the Vehicle after expiration of the term of this Lease, all provisions of this Lease shall continue to apply and monthly rental payments shall continue to be payable in the amount and by the day each month provided for in section 3 until you have returned the Vehicle in accordance with section 14. Unless we advise you in writing, the foregoing shall not extend or be seen as renewing the term of this Lease. Further, the foregoing is in addition to and does not in any way limit our other remedies under this Lease.

ADDITIONAL TERMS AND CONDITIONS

7. INSURANCE

You must purchase and maintain throughout the term of this Lease insurance for the Vehicle consisting of at least the following: **a)** comprehensive fire and theft coverage with a maximum deductible of $1,000, **b)** collision coverage with a maximum deductible of $1,000, **c)** automobile liability insurance with minimum limits for bodily injury or death of $1,000,000 for any one person and $1,000,000 for any one accident and $100,000 for property damage, or $1,000,000 combined single limit, **d)** GAP insurance of at least the minimum amount we specify, and **e)** any other minimum insurance we specify. You must obtain this vehicle insurance from the insurance provider we specify. Before you take possession of the Vehicle and upon our request during the term of the Lease, you must provide us with certificates or other proof of insurance, as we specify, confirming you have obtained the minimum vehicle insurance coverage described in this section 7.

This vehicle insurance must name us and Head Lessor (or potentially Head Lessor's lender if Head Lessor requires) as loss payees and additional named insureds, as well as waiver of subrogation against us, as we designate in our sole discretion. This vehicle insurance also must provide that we and Head Lessor will receive copies of all notices of changes in these policies, or cancellation, nonrenewal, or coverage reduction or elimination, at least thirty (30) days before any cancellation, nonrenewal or change takes effect. You hereby specifically authorize the vehicle insurance provider or its agent to release all information about your vehicle insurance we or Head Lessor request, including binders, policies, current payment and policy status, and any claims made or claim information by or on your policy for Vehicles leased from us. In addition, you hereby specifically authorize us to share this information, as well as certificates and other proof of your vehicle insurance with Head Lessor. The insurance coverages shall be written with insurers having an A.M. Best rating of A- or better. Any coverage limit required herein shall not be construed as a limitation or satisfaction of any hold harmless or indemnification agreement contained herein.

If you fail to maintain the minimum vehicle insurance coverage we require, or fail to timely provide us evidence of this coverage, we have the right, but not the obligation, to obtain the required insurance coverage. You must promptly sign all applications and other documents required to obtain the required minimum vehicle insurance coverage, and will, upon receipt of an invoice, immediately reimburse us for the cost of obtaining the required vehicle insurance coverage.

The insurance coverage set forth in this section 7 only describes the minimum insurance we require you to purchase and maintain. It is your obligation to determine whether you need to carry other insurance, or higher levels of insurance either by law or because of the nature of your business, your Vehicle drivers or any contract you have signed.

You must immediately report accidents to us and the insurance provider, and do all things necessary or proper to protect or preserve the vehicle insurance and the covered parties. Further, you must advise us immediately of any motor vehicle violation incurred by you or your employees whether when using the Vehicle or otherwise.

8. SECURITY DEPOSIT

You shall deposit $2,500 with us ("**Security Deposit**"). This sum will be placed in a non-interest-bearing account but will be refunded to you thirty (30) days after the end of the term of this Lease provided there are no additional amounts owing under this Lease, including excess wear and tear. The Security Deposit will be used to deduct the amounts owing to us.

9. OFFICIAL FEES AND TAXES

You agree to pay when due all fees and charges for transfer of title, registration, licensing, testing, Vehicle use, tolls, and inspection of the Vehicle. You agree to pay when due all taxes imposed by any governmental or private authority with respect to the Vehicle or its use during the term of this Lease, whenever assessed. We may pay any or all such fees or charges on your behalf and if so, you will pay us when billed for such amounts. Your monthly lease payment may change to reflect increases or decreases in taxes.

10. LATE PAYMENT AND OTHER CHARGES

If you fail to timely pay any payments due to us, then we will assess a late payment fee of $100.00 for each month that such payments are delinquent (to cover our administrative costs). In addition, a non-sufficient fund fee of $100.00 will be assessed for any uncollected automatic bank transfer which may result from insufficient or uncollected funds. Further, you must pay all reasonable costs that we incur to collect any amount owing by you and to enforce our rights and all charges for excess wear and tear to the Vehicle as determined by a professional appraiser.

11. LIMITATION OF LIABILITY

We shall not be liable for any loss, damage, claim, demand, liability, cost or expense of any nature or kind sustained by you, directly or indirectly resulting from any inadequacy for any purpose, or any defect or mechanical failure of the Vehicle, or from loss or interruption of use, or any loss of business profits, or any consequential or other damage of any nature. We shall not be required to carry out any of the terms of this Lease if prevented from doing so by acts of God, major strikes, or any other circumstances beyond our control and shall not be liable for any resulting loss or damages sustained by you.

You **ACKNOWLEDGE THAT YOU ARE LEASING THE VEHICLE AS IS** and that you chose the Vehicle and that the Vehicle is subject only to the manufacturer's warranties which accompany the Vehicle and any extended warranties or service contracts purchased by you. We assign to you all rights and remedies under that warranty to the extent they are assignable. We remind you we are not responsible if the Vehicle does not work as you would like or if there are mechanical problems.

ALL IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT, ARE HEREBY DISCLAIMED. This disclaimer and exclusion shall apply even if any warranty fails of its essential purpose.

12. USE OF VEHICLE

The Vehicle shall be used in a careful and proper manner in compliance with all applicable laws and in accordance with this Lease and the Franchise Agreement. You must not use or permit the use of the Vehicle: **a)** to be driven by anyone without a valid license issued by the appropriate governmental authority or any person not authorized under the vehicle insurance you obtain; **b)** in violation of any law or to transport goods or persons for hire; **c)**for purposes that would cause any insurance to be suspended or cancelled, rendered inapplicable or cause the manufacturer's warranty to become void; **d)** outside of the United States; **e)** to race other vehicles or in an automobile rally or to be used in an unreasonable or abusive manner; or **f)** to be used as a taxi.

13. END OF LEASE LIABILITY

At the scheduled termination of this Lease, your payment liability will be the sum of: **a)** any monthly lease payments due and unpaid and any other amounts or charges due under the terms of this Lease; **b)** the cost of any repairs necessary to put the Vehicle in original condition except for normal wear and tear as required by this Lease; **c)** any applicable fees and taxes imposed in connection with the termination of this Lease or otherwise; and **d)** any other amounts payable hereunder and not paid.

14. VEHICLE RETURN

You will return the Vehicle at the expiration or termination of this Lease to the location we specify. As with the initial delivery of the Vehicle, we will attempt to arrange for this this location be at a dealership or other location within your market, so there are no shipping or delivery fees. If that is not possible, however, and we are required to have the Vehicle shipped or delivered to a dealership or other location outside your market, you will be required to pay the shipping or delivery fees to us. We or our designee shall inspect the Vehicle upon return to ensure that the Vehicle is in good operating condition and working order, and has not suffered damages beyond normal wear and tear.

15. DAMAGE OR LOSS TO THE VEHICLE

You agree that you are liable for any damage, risk of loss or destruction of the Vehicle during the term of this Lease or until you return the Vehicle to the location we specify. If the Vehicle is damaged or destroyed in an accident or other occurrence or is confiscated by a government agency or is stolen, you are to notify us and your insurance provider immediately of any such event or accident. If the Vehicle is confiscated or stolen, or damaged and in a condition which we believe is beyond reasonable repair, this Lease will be terminated immediately. You will be responsible to pay to us a termination value (as defined in section 19). Any amounts paid by an insurance provider will be credited against this termination value, but you agree to pay to us any difference between the termination value and the loss proceeds which we received for the Vehicle. If the Vehicle is damaged and this Lease is not terminated, you will have the necessary repairs made promptly at a facility approved by us at your expense and will continue to perform your obligations under this Lease. Any amounts paid by your insurance provider will be credited to you with respect to such repair. You acknowledge that we have no obligation to provide a replacement vehicle for the Vehicle for any reason. We will own all parts used to repair the Vehicle.

16. CHANGE OF ADDRESS:

You shall immediately notify us of any change of address of the corporation or a change of name.

17. VEHICLE MAINTENANCE

You must keep and maintain the Vehicle in good operating condition and working order, using as a guide the maintenance program prescribed in the Vehicle's Owner's Manual, and shall perform all regular, reasonable and/or necessary preventive maintenance required to insure full validation of the manufacturer's warranty. Your failure to have any maintenance or other work performed on the Vehicle, which under the circumstances would have prevented further damage to the Vehicle, shall be your sole responsibility.

We may inspect the Vehicle at any reasonable time to ensure the Vehicle is in good operating condition and working order. If repairs or maintenance are necessary, you agree, at our sole discretion, to have such repairs and maintenance promptly completed at your sole expense, or to allow us to have such repairs and maintenance promptly completed and bill you for the cost and applicable taxes on such bills, which you agree to pay upon receipt. You also agree to comply with the manufacturer's request in any recall campaign. You agree not to alter, mark, remove, or install equipment in the Vehicle without our written consent. If the Vehicle requires body work, you shall notify us and shall have such body work done in a timely manner by a licensed body shop using only original equipment manufacturer (OEM) parts and repaired to manufacturer's original specifications. All costs incurred in maintaining, restoring, and repairing the Vehicle to maintain good operating condition and working order and appearance will be your responsibility.

18. STANDARDS OF WEAR AND TEAR

You agree to pay for excess wear and tear as determined by a professional third-party appraiser acceptable to us, which wear and tear includes repair or replacement of: **a)** body dents, scratches, rust or corrosion, paint-scratches, chips, rusted areas, mismatched paint, special colors or identification; glass-cracks, scratches, pits, breaks, faulty window mechanisms, broken lights or mirrors; chrome and trim-dents, scratches, rusted areas, broken grilles or trim; interior rips, stains, burns, or worn-through areas on any upholstery, headliner, or carpeting; **b)** tires having less than 1/8 of an inch of measurable original tread remaining at its shallowest point, or having an obvious defect, or which do not meet government standards; tires which are inappropriate for the season during which the Vehicle is returned to us or the Assignee; **c)** missing equipment that was part of the Vehicle when delivered and has not been replaced.

19. DEFAULT

You will be in Default under this Lease if any of the following occurs (each, a "**Default**"): **a)** you do not make payment under this Lease, including rent and other payments when due; **b)** any information provided to us by you, or on your behalf, in connection with or relating to this Lease is false or misleading; **c)** you fail to comply with any condition or term of this Lease and such breach significantly impairs the prospect of payment, performance, or realization of your obligations under this Lease; **d)** a proceeding in bankruptcy, receivership, or insolvency is started by you or against you or your property; ; **e)** you do not repair or maintain the Vehicle as this Lease requires; **f)** you transfer, sublease, rent or assign this Lease, the Vehicle, or your right to use the Vehicle without our written consent; **g)** the Vehicle is lost, stolen, destroyed or determined by us or Assignee to be unsuitable for use; and/or **h)** you are in default of any of the terms of the Franchise Agreement.

In the event of Default, you acknowledge that we may do any or all of the following without giving you advance notice, except that we will give you at least fifteen (15) days following notice to cure Defaults a), e) and h) above (with the understanding this cure period and any applicable cure period under the Franchise Agreement will run concurrently) and provide any other notice which may be required by applicable law: **a)** take any reasonable measures designed to either correct the Default or to save us from loss, in which case you will pay upon request for the cost and expenses incurred, and we are hereby appointed as your lawful attorney to take any such action in your name; **b)** terminate this Lease and your rights to possess and use the Vehicle; **c)** take possession of the Vehicle, together with the Vehicle registration permit, by any method or manner, without demand, notice, or legal proceeding, and enter on any premises of you or any other person for such purpose; **d)** require you to pay to us the termination value which is calculated as the present value of all payments due, past due, or to become due, together with the estimated value of the Vehicle at the end of the term of this Lease as determined by us acting reasonably, all discounted from when they are due at a discount rate of two percent (2%) per annum, plus any late payment fees due (in accordance with section 10) on overdue payments, which you agree to pay immediately upon request; **e)** apply your security deposit to any amounts you owe; **f)** pursue any other remedy permitted by law or in equity; and/or **g)** declare this Lease to be in Default (with or without terminating this Lease) whereupon all your obligations under this shall be immediately due, payable, and enforceable without any notice or demand whatsoever. You also agree to pay us for all collections and legal costs relating in any way to such Default, including reasonable legal fees and court costs incurred to the extent permitted by law. Further, you shall pay all other amounts due under this Lease that would have been payable, including excess wear and tear. All amounts not paid on these due dates will be subject to late payment and other charges set out in section 10.

20. WAIVER

The failure by us to insist on the performance of any of the requirements of this Lease or a waiver by us of any Default shall not be a waiver of any term or condition of this Lease and shall not preclude us from action regarding any subsequent Defaults.

21. FINES, LIENS, AND ENCUMBRANCES

You agree to keep the Vehicle free of all fines, liens, and encumbrances. If you do not promptly pay any fines or remove any liens or encumbrances at your expense, we may do so and you will be charged for the same, plus an administrative fee of fifteen percent (15%) of such amount and such amount shall be considered rent under this Lease.

22. OWNERSHIP

You specifically agree that we and Head Lessor are the owners of the Vehicle for all purposes and we retain all benefits of ownership. You agree that your property rights in the Vehicle are limited to rights of possession and use to the extent detailed by this Lease.

23. ASSIGNMENT

You agree not to transfer, rent, or assign this Lease, the Vehicle or your right to use the Vehicle. You understand this Lease may be assigned to a related or third party ("**Assignee**"), without your consent, either wholly or as security for the obligations and you agree to make all payments under this Lease to such party upon request. You acknowledge that any such Assignee or Head Lessor is not responsible for performance of any dealer or manufacturer service, repairs, or other duties under this Lease, including insuring the Vehicle, nor shall you assert against such parties any claims, demands, or causes of action of any nature, or rights of counterclaim, reduction, or setoff which you may have against us.

24. INDEMNITY AGREEMENT

You agree to indemnify us and Head Lessor, and each of our respective affiliates, successors and assigns, including any Assignee, and all of our of our respective officers, directors, employees and agents (collectively, the "**Indemnified Parties**") against, and reimburse the Indemnified Parties for, all Claims and/or Damages (as defined in the Franchise Agreement) the Indemnified Parties incur in defending any claim brought against any of the Indemnified Parties or in any action in which any of the Indemnified Parties are named as a party arising out of, from, as a result of, or in connection with the use, maintenance, ownership, operation, and condition of the Vehicle, and this Lease. Each of the Indemnified Parties will have the right to defend, at your expense, any such claim brought against it. You also agree that your obligation under this section 24 shall survive termination of this Lease and repossession and sale of the Vehicle. Without restricting the generality of the above, this indemnity includes any claim against the Indemnified Parties because of an alleged defect in the Vehicle brought under the doctrine of strict liability.

25. SECURITY INTEREST

You assign to and give us a security interest in the proceeds, cancellation refund, or other rights you may have under any mechanical breakdown protection service or insurance contracts you purchase with respect to this Lease and provide to us a security interest in the leased Vehicle as security for the performance of your obligations under this Lease. You authorize us to file one or more financing statements to evidence this security interest, and agree to sign all necessary financing statements and other documents to evidence this security interest. This Lease and the leased Vehicle may not be the subject of any other security interest, lien, levy, attachment or execution by your creditors or any financial institution.

26. SEVERABILITY

Any portion or provision of this Lease, which is invalid, illegal, or unenforceable in any jurisdiction, shall, as to that jurisdiction, be ineffective to the extent of such invalidity, illegality, or unenforceability without affecting in any way the remaining portion or provisions hereof in such jurisdiction or to the extent permitted by law.

27. NOTICE

Any notices or statements must be in writing and may be delivered or mailed by pre-paid post to the addresses on page 1.

28. OBLIGATIONS

This Lease is an additional and separate obligation of you from the Franchise Agreement. Your obligations under this Lease are in addition to and distinct from the obligations that you have under the Franchise Agreement.

29. GUARANTOR

Each guarantor (if any) hereby agrees to be jointly and severally responsible with you for payments and the performance of all obligations under this Lease.

30. GOVERNING LAW; JURISDICTION AND VENUE

This Lease will be interpreted in accordance with the substantive laws of Minnesota without reference to the place of execution or performance. All litigation, court hearings, actions or proceedings initiated by either party against the other to enforce or construe this Agreement or resolve any dispute arising under, or as a result of, or in connection with this Agreement, will be brought, venued and maintained exclusively in strict accordance with the laws of Minnesota. Both parties hereby submit to personal jurisdiction in Ramsey County, Minnesota for the purposes of any litigation, court hearings, actions or proceedings.

31. GENERAL

This Lease contains the entire agreement between you and us relating to the leased Vehicle and/or equipment. There are no other agreements either oral or written between you and us except for the Franchise Agreement any other agreements stated in writing in this Lease. The only way this Lease can be changed is by a new written agreement signed by both parties. The headings in this Lease do not affect its interpretation. This Lease is drafted and shall be interpreted in English and the English version shall be the official version. The use of the term “including” in this Lease shall mean “including without limitation.” This Lease may be executed in any number of counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one (1) and the same instrument.

[Signature page follows]

IN WITNESS WHEREOF the Franchisor and Franchisee have executed this Lease on this ____ day of _____, 20_____.

NOVUS FRANCHISING 2 LLC
LESSOR/FRANCHISOR

By:_____

Its:_____

[NAME OF FRANCHISEE]
LESSEE/FRANCHISEE

By:_____

_____
Print Name

Its:_____

GUARANTOR(S) (If Any)

By:_____

_____
Print Name

Its:_____

By:_____

_____
Print Name

Its:_____

SCHEDULE A – DELIVERY AND ACCEPTANCE CERTIFICATE

This Delivery and Acceptance Certificate is issued pursuant to a Vehicle Lease Agreement (the "**Lease**") made between Novus Franchising 2 LLC. and the undersigned Lessee dated _____ 20__.

YEAR	MAKE	MODEL	VIN
[2021]	**[FORD]**	**[E1YA T-150 LR CARGO VAN]**	
COLOR **[OXFORD WHITE]**	NO. CYL./ ENGINE **[3.7L TIVCT V6 ENGINE]**	LICENSE PLATE	
VEHICLE USE	☑ BUSINESS	INSURANCE NO.	
BUILDOUT			

DELIVERY RECEIPT

BY SIGNING THIS RECEIPT, YOU ACKNOWLEDGE AND AGREE TO ALL THE PROVISIONS OF THIS LEASE. You have inspected the above noted Vehicle and you have confirmed that the Vehicle, including all of the Buildout described above, is present, in good operating condition and working order, and you have accepted it and have taken delivery of it on today's date and are now bound by all of the terms and conditions of the Lease.

NOTICE TO LESSEE Do not sign this receipt before you read it or if it has any blank space to be filled in. You have the right to get a filled-in copy of this Lease. You have provided proof of valid insurance as attached to this receipt. You waive all rights to receive a copy of any financing statement, financing change statement, or verification statement filed at any time in respect of this Lease, where permitted by applicable law.

THE LESSEE acknowledges and accepts delivery of the Vehicle identified on this Schedule A on the _____ day of _____, 20__ (the "**Vehicle Delivery Date**").

[LEGAL NAME OF LESSEE/FRANCHISEE]
LESSEE/FRANCHISEE

By:_____

_____
Print Name

Its:_____

NOVUS FRANCHISING 2 LLC

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT F: NOVUS 2 EQUIPMENT LEASE AGREEMENT

EQUIPMENT LEASE

DATE:_____

PARTIES AND ADDRESSES:

NOVUS 2 LLC ("LESSOR")
650 Pelham Boulevard, Suite 100
St. Paul, Minnesota 55114

_____ ("LESSEE")

1. AGREEMENT TO LEASE: LESSOR hereby leases to the LESSEE, and the LESSEE hereby leases from LESSOR, upon the terms and conditions set forth in this Lease, all of the items of personal property described below (collectively, the "Equipment"):

Equipment	Serial Number	Pre-Paid Rent	Commencement Date

2. TERM: The term of this Lease will begin for each unit of Equipment on the date entered above as the "Commencement Date", and will continue until expiration of the Franchise Agreement between LESSEE and Novus Franchising 2 LLC (the "Franchise Agreement").

3. PRE-PAID RENT:

A. The pre-paid rent for each unit of Equipment will be as specified above and is due in full on the date LESSEE signs this Lease.

B. The pre-paid rent specified for each unit of Equipment does not include any applicable sales, personal property, use and excise taxes, duties and other governmental charges, and all shipping, insurance, and maintenance costs, all of which must be paid by LESSEE.

C. Except as otherwise specifically provided in this Lease, this Lease is noncancellable by LESSEE. The obligations to pay any charges and obligations are unconditional, and LESSEE will pay the same without counterclaim, setoff, or defense on any grounds, including without limitation the following:

1. Damage to or destruction of the Equipment from any cause;

2. Any restriction or interference with use of the Equipment;

3. Any defect in the condition, quality or fitness for use of the Equipment; and

4. Termination of the Franchise Agreement.

D. LESSEE authorizes LESSOR to file one or more financing statements to evidence its rights in the Equipment and under this Lease, and agrees to execute, deliver and endorse any and all instruments, documents, assignments, security agreements and other agreements and writings which LESSOR may at any time reasonably request in order to secure, protect, perfect or enforce LESSOR'S rights under this Lease.

4. DELIVERY AND ACCEPTANCE OF THE EQUIPMENT: LESSOR will deliver the Equipment to LESSEE at the address shown above within a reasonable time after this Lease is signed. LESSEE will inspect each unit of Equipment promptly upon delivery and will notify LESSOR of the acceptance or rejection of any piece within 10 days after delivery. Any piece not rejected within that time will be considered accepted. If LESSEE rejects any item of the Equipment for any reason other than the existence of defects or non-conformities caused entirely by LESSOR'S wrongful misconduct, LESSEE will indemnify and hold LESSOR harmless against any losses and expenses (including reasonable attorneys' fees) that LESSOR may suffer or incur in any action by or against the manufacturer or any other vendor of such unit directly or indirectly arising out of, relating to or pertaining to such rejection.

5. DISCLAIMER OF ALL WARRANTIES, LIMITATION OF DAMAGES:

A. THE EQUIPMENT IS LEASED "AS IS."

B. LESSOR MAKES NO WARRANTY OF ANY KIND, NATURE OR DESCRIPTION, EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUIPMENT. LESSOR HEREBY DISCLAIMS THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. THIS DISCLAIMER BY THE LESSOR IN NO WAY AFFECTS THE TERMS OF ANY MANUFACTURER, VENDOR OR OTHER THIRD PARTY WARRANTIES, IF ANY.

C. LESSOR WILL NOT BE LIABLE UNDER ANY CIRCUMSTANCES FOR LOSS OF LESSEE'S PROFITS, LOSS OF BUSINESS OR ANY OTHER DAMAGES, DIRECT OR INDIRECT, SPECIAL CONSEQUENTIAL OR OTHERWISE, CAUSED BY OR RESULTING DIRECTLY OR INDIRECTLY FROM LESSOR'S FAILURE TO COMPLY WITH THE TERMS AND PROVISIONS OF THIS LEASE, OR RESULTING FROM ANY DEFECT OR NONCONFORMITY OF ANY UNIT OF EQUIPMENT OR ANY OTHER MATTER, FACT, EVENT OR OCCURRENCE RELATING TO THE OPERATION, PERFORMANCE OR CONDITION OF ANY SUCH UNIT.

D. LESSOR hereby assigns to LESSEE, for the term of this Lease only, all manufacturer, vendor or other third party warranties and representations (if any), whether express or implied, which pertain to the Equipment, together with all rights, claims, actions and causes of action which arise from the Equipment.

6. REPRESENTATIONS AND WARRANTIES OF LESSOR: LESSOR represents and warrants that LESSOR has the lawful right to lease the Equipment to LESSEE in accordance with the terms of this Lease and that, so long as LESSEE is not in default under this Lease, LESSEE may use the Equipment without hindrance from LESSOR; provided, that LESSOR and its authorized representatives may inspect the Equipment at any reasonable time; and further provided LESSOR makes no warranties that the Equipment will be free from claims of patent infringement.

7. SUBORDINATION OF RIGHTS: Any sale, pledge or other transfer of this Lease or LESSOR'S title to the Equipment will be subject and subordinate to the rights of LESSEE under this Lease.

8. LESSEE'S OBLIGATIONS:

A. LESSEE will use the Equipment only in the ordinary course of business, will operate the Equipment in compliance with the manufacturer's requirements and all safety requirements and will not use, operate or store the

Equipment improperly, carelessly, or in violation of this Lease or any applicable law, rule, regulation or government order.

B. LESSEE will not sell, pledge or otherwise transfer the Equipment or permit to exist any lien or encumbrance of any kind on any of its rights under this Lease or on the Equipment.

C. LESSEE will pay all license or registration fees, assessments, charges or taxes which now or hereafter may be imposed with regard to ownership, liens, possession or use of the Equipment.

D. LESSEE will maintain, service and repair the Equipment at its sole cost and expense (including all parts, supplies and labor).

E. LESSEE will furnish to LESSOR such information concerning the condition, use and operation of the Equipment as LESSOR may reasonably request and will permit any person designated by LESSOR to inspect the Equipment and any records maintained in connection with the Equipment or this Lease.

F. LESSEE will not modify the Equipment without LESSOR'S prior written consent. LESSEE will remove all such modifications upon termination of this Lease or at such earlier time, if any, as LESSOR may demand removal if, in LESSOR'S reasonable opinion, such modifications interfere with the normal, satisfactory or safe operation of the Equipment.

G. LESSEE acknowledges that the Equipment and related materials, information and instructions contain proprietary and confidential information. Accordingly, LESSEE will keep in confidence, and not disclose to any person, all printed material, information and instructions concerning the Equipment and will not permit anyone to inspect or use the Equipment other than authorized employees whose duties require such inspection or use.

H. LESSEE at all times will, at its own expense, maintain general liability, public liability, property damage liability, and all-risk hazard insurance with respect to the Equipment in form and amounts reasonably acceptable to LESSOR and naming both LESSOR and LESSEE as insureds. As between LESSOR and LESSEE, all proceeds of such insurance will belong to LESSOR, subject to LESSOR'S obligations under Paragraph 11 of this Lease. The policies of insurance will not require that LESSOR'S recovery be reduced or impaired because an occurrence insured against is caused by an act or omission of LESSEE. All insurance will be on terms and for amounts satisfactory to LESSOR and will contain the insurer's agreement to provide at least 30 days' written notice to LESSOR prior to cancellation. LESSEE will deliver certificates of such insurance to LESSOR upon request.

9. REIMBURSEMENT OF LESSOR'S EXPENSE: If LESSEE breaches any of its obligations under Paragraph 3.B, 8.C, 8.H, or 11 of this Lease, or fails to pay any other charges or to incur any other costs required by this Lease, LESSOR may at its sole option undertake such obligations, make such payments, or incur such costs, and LESSEE will reimburse LESSOR for the same upon demand. Any such amounts not promptly reimbursed will bear simple interest at a rate equal to the lesser of the maximum legal interest rate allowable in the state in which LESSEE'S business is located or one and one-half percent per month.

10. OWNERSHIP: At all times during the term of this Lease, title to and ownership of all Equipment is and will remain in LESSOR. LESSOR may mark the equipment to indicate its interest in the Equipment.

11. LOSS OR DESTRUCTION OF EQUIPMENT: If any of the Equipment is (in LESSOR'S sole judgment) totally or partially lost, damaged or destroyed, LESSEE shall pay to LESSOR, a lost equipment fee for each piece of Equipment that is lost, stolen or destroyed. The amount of this fee (the "Lost Equipment Fee") shall be determined by LESSOR in accordance with its then current standards for replacement of Equipment. If this Lease has not terminated or expired, LESSOR shall ship comparable replacement Equipment to LESSEE upon receipt of the Lost Equipment Fee, which Equipment shall be leased to LESSEE for the remaining term of this Lease in accordance with the provisions hereof. If

any of the Equipment is (in LESSOR's sole judgment) damaged, LESSEE shall promptly repair such Equipment; provided, however, that if LESSEE is unable to properly complete such repairs to LESSOR's satisfaction, LESSEE shall return the Equipment to LESSOR, at LESSEE's cost, LESSOR shall then use reasonable efforts to repair the Equipment, and if this Lease has not terminated or expired, LESSOR shall ship the repaired Equipment back to LESSEE, freight collect, for the remaining term of this Lease. If LESSOR determines (in LESSOR's sole judgment) that it is not practical to repair the Equipment, then LESSEE must pay to LESSOR the Lost Equipment Fee for each such piece of Equipment, and if this Lease has not terminated or expired, upon receipt of payment of the Lost Equipment Fee, LESSOR shall ship comparable replacement Equipment to LESSEE, which Equipment shall be leased to LESSEE for the remaining term of this Lease in accordance with the provisions hereof. In all cases, LESSEE shall be responsible for all freight charges incurred in connection with the shipping of replacement Equipment.

12. LIABILITY: LESSEE assumes all risk and liability arising from damage, possession, ownership and use of the Equipment, including injuries or death to persons or damage to property. Without demand, LESSEE will immediately notify LESSOR of each claim against LESSEE pertaining in any way to the Equipment.

13. INDEMNIFICATION: LESSEE agrees to indemnify and hold LESSOR harmless from and against any and all claims, losses, liabilities, damages or expenses, including legal costs and all attorneys' fees, that arise in whole or in part from or are related to injury to or death of any person or loss of or damage to any real or personal property, caused directly or indirectly by the Equipment leased under this Lease or LESSEE'S possession, storage or use of the Equipment.

14. RETURN OF EQUIPMENT: Upon expiration or termination of this Lease for any reason or in any manner whatsoever with respect to any unit(s) of Equipment, LESSEE at its own expense promptly will deliver all such unit(s) of Equipment to LESSOR at any location designated by LESSOR within the continental United States in good working order and in the same condition as delivered by LESSOR, normal wear and tear excepted. LESSEE will have no right to purchase or possess the Equipment following the expiration or termination of this Lease.

15. EVENTS OF DEFAULT: Each of the following occurrences will be an Event of Default under this Lease:

A. LESSEE fails to pay any rent or other sum when due, and such default continues for more that 10 days after LESSOR sends LESSEE written notice of such failure;

B. LESSEE breaches or fails to observe any other covenant of this Lease;

C. LESSEE becomes insolvent; any petition under any bankruptcy law is filed by or against LESSEE; LESSEE makes any assignment for the benefit of creditors or similar transfer evidencing insolvency; or LESSEE suffers or permits the commencement of any form of insolvency or receivership proceeding; or any trustee or receiver is appointed for LESSEE'S business or assets or any part of its business or assets;

D. LESSEE breaches or fails to observe any agreement between itself and Novus Franchising 2 LLC;

E. The Franchise Agreement is terminated by either party for any reason; or

F. The Equipment becomes the subject of a security interest, lien, levy, attachment or execution by LESSEE'S creditors or any financial institution, except with LESSOR'S prior written approval.

16. REMEDIES: Upon the occurrence of an Event of Default, LESSOR may exercise any one or more of the following remedies, together with any remedies provided at law:

A. LESSOR may, by written notice to LESSEE, terminate this Lease in respect to any or all equipment effective as of the date of occurrence of the Event of Default. LESSEE will not be entitled to any refund or adjustment of the pre-paid rent.

B. LESSOR or its agent may, without prejudice to any claim then accrued and without terminating this Lease, repossess any of the Equipment and, at LESSEE'S expense, may enter upon and remove the Equipment from any premises of LESSEE or other premises where the Equipment is located. LESSOR will hold all repossessed Equipment free from any rights of LESSEE under this Lease. LESSOR may sell repossessed Equipment with or without notice to LESSEE. LESSEE will continue to pay LESSOR all other payments due and which may become due under this Lease, together with all costs and expenses (including attorneys' fees) incurred by LESSOR in enforcing its rights, with due credit for any net income realized by LESSOR from the repossessed Equipment.

C. LESSOR may recover from LESSEE all damages (including lost profits) and costs (including reasonable attorneys' fees) which LESSOR may have suffered by reason of LESSEE'S breach of any provision of this Lease.

17. MODIFICATION AND WAIVER: This Lease may not be modified or amended without LESSOR'S written consent. LESSOR will not be held to have waived any provision of this Lease or any of its rights under this Lease, or to have agreed to any modification of this Lease, except by a written document signed by an authorized officer of LESSOR.

18. NO ELECTION OF REMEDIES: LESSOR may exercise any one or more remedies provided in this Lease or under applicable law at the same time as it exercises other such remedies, and its decision at any one time to pursue particular remedies will not be deemed an election not to pursue any other remedy at the same time or at any other time.

19. ASSIGNMENT AND TRANSFER: LESSEE will not assign its rights or duties under this Lease, in whole or in part, without the prior written consent of LESSOR.

20. SEVERABILITY: If any provision of this Lease is held to be invalid or illegal in any state, it will be severed from this Lease for purposes of enforcement in that state but will not invalidate any of the remaining provisions of this Lease.

21. APPLICABLE LAW: This Lease has been signed in Minnesota, and will be governed by the laws of Minnesota.

IN WITNESS WHEREOF, the parties hereto have duly signed this Lease as of the _____ day of _____, 20__.

NOVUS 2 LLC

By _____
Its:

LESSEE:

By _____
Its:

4883-1169-1934, v. 4

NOVUS FRANCHISING 2 LLC

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT G: TAG NETWORK PARTICIPANT AGREEMENT

TAG NETWORK PARTICIPANT AGREEMENT

This TAG Network Participant Agreement (the "**Agreement**"), effective this _____ day of _____, 20___ (the "**Effective Date**"), is made and entered into by and between **[INSERT FULL LEGAL NAME OF NOVUS FRANCHISEE]** ("**Participant**", "**you**" or "**your**"), and SPEEDY NOVUS GLASS LLC ("**TAG**"). Participant and TAG are also herein referred to individually as a "**Party**" and collectively as the "**Parties**".

WHEREAS, TAG is a third-party referral service and facilitator of auto glass repair and replacement transactions, providing payment intermediary and related administrative services (the "**TAG Services**") to auto insurers and vehicle fleet managers (hereinafter "**Work Providers**" and each a "**Work Provider**") in connection with the sale and supply by participants of auto glass repair and replacement services for vehicles owned and/or operated by the insureds or fleet program members (collectively, "**Customers**"), as the case may be, of Work Providers (the "**TAG Network**"); and

WHEREAS, Participant, pursuant to an agreement dated the ___ day of _____, 20__ with Novus Franchising 2 LLC (the "**Franchisor**"), an affiliate of TAG (the "**Franchise Agreement**"), owns and operates a Novus Glass business specializing in the sale and performance of automotive glass replacement, repairs and related services (the "**Auto Glass Services**"); and

WHEREAS, Participant is desirous of performing the Auto Glass Services for Customers referred and introduced to it by TAG, subject to and in accordance with the terms and conditions set forth in this Agreement, as well as the policies and procedures of TAG;

NOW THEREFORE, in consideration of the mutual obligations contained herein, the Parties agree as follows:

1) **THE TAG NETWORK**

a) **No Exclusivity.** You acknowledge and accept that your participation in the TAG Network is non-exclusive. TAG may and will contract with other participants or providers of the Auto Glass Services in the same geographic area that you operate your business. Those other participants may be other Novus Glass franchisees, businesses associated with other glass repair and/or replacement networks, or independent Auto Glass Services providers. TAG may provide Work Providers and Customers with a choice of one or more participants or other service providers offering the Auto Glass Services in the same geographic area. TAG will, in referring requests for Auto Glass Services to participants, act in a manner consistent with the preferences, if any, communicated to TAG by the Work Provider or Customer.

You further acknowledge and accept that you may not, in every instance, be presented as an available provider of the Auto Glass Services to all, or any particular Work Providers or Customers who are in the same geographic area as you. In general, the referral of any Work Provider or Customer to a particular participant shall be within the sole discretion of TAG.

b) **No Minimum Commitment.** You acknowledge and agree that neither TAG, nor any other person or entity acting on its behalf, has made any commitment to you as to the volume, frequency or type of work you may expect to receive under this Agreement.

c) **Independent Contractor.** The Parties acknowledge and agree that Participant is an independent contractor and not an agent, servant, employee or partner or TAG or any affiliate of TAG. Neither Party shall have the authority to commit the other Party to any action or endeavor without the explicit, written consent of both Parties.

2) **TERM AND TERMINATION**

a) The term of this Agreement shall commence on the Effective Date and continue for a period of one [1] year (the "**Initial Term**") and shall automatically renew for successive periods of one year (each a "**Renewal Term**") unless terminated by either Party by providing written notice at least sixty (60) days prior to the expiration of the Initial Term, or applicable Renewal Term.

Either Party may terminate this Agreement, for any reason or no reason, and at any time, by providing thirty (30) days' prior written notice to the other Party.

b) **Termination for Cause.** This Agreement may be terminated by either Party, immediately upon written notice **(i)** in the event of dissolution, loss of license, abandonment, actual, alleged or suspected fraud, willful misconduct, negligence, insolvency or lack of legal capacity to act on the part of TAG or Participant; and **(ii)** upon any breach of any term or condition of this Agreement which is not cured by the breaching party within ten (10) days after receipt of notice in writing of such breach from the other Party. In addition, TAG may terminate this Agreement immediately upon written notice to Participant in the event of a breach by Participant of the Franchise Agreement that Participant fails or neglects to remedy within the applicable cure period under the Franchise Agreement, or the

termination, for any reason, of the Franchise Agreement.

c) **Post-Termination Obligations.** Despite the expiration or earlier termination of this Agreement as provided herein, the provisions of this Agreement shall continue to apply, and each of the Parties shall perform and discharge its respective obligations hereunder to the extent required to deliver, to the satisfaction of the Work Provider, any of the TAG Services and Auto Glass Services commenced prior to the effective date of such expiration or termination. In addition, TAG and Participant shall, at the request of the Work Provider, cooperate with one another to the extent reasonably necessary or desirable in the opinion of TAG to effect the orderly transfer of the Auto Glass Services from Participant to a replacement service provider.

3) **OBLIGATIONS OF PARTICIPANT**

a) **Approved Glass and Parts.** Participant shall only use Novus branded windshield repair resins, as well as new OE or OEE certified windshield glass and other products in connection with the performance of all Auto Glass Services, unless used glass is requested and approved by the Work Provider in writing.

b) **Windshield Repair Warranty.** Participant guarantees that all windshields repaired by it will not crack further and will pass all vehicle safety inspections administered by any governmental or other regulatory authority having jurisdiction over Participant and performance of the Auto Glass Services, for as long as the vehicle is owned by current owner. If a windshield repair fails for any reason, Participant will refund the cost of the repair in full or, at the election of the Work Provider, apply the equivalent amount as a credit toward a windshield replacement. In the event that Participant is not able to replace the windshield for any reason, the price of the original repair shall be refunded by Participant to the Work Provider in full.

c) **Windshield Replacement Warranty.** Participant guarantees all windshield replacements against defects in material and workmanship for as long as the original customer owns the vehicle. Participant shall, upon request, provide the Work Provider, and/or the Customer, with a copy of the applicable warranty terms and conditions.

d) **Warranty Claims.** Participant will be solely responsible for resolving any warranty claims that may arise. If Participant fails to perform any warranty work to the satisfaction of the Work Provider, or if the Work Provider elects to engage a different Participant to undertake and complete the warranty work, TAG will pay such alternate Participant (the "**Alternate Shop**") for such services, and the original Participant shall reimburse TAG upon demand the amount so paid to the Alternate Shop in full.

e) **No Sub-contracting.** Participant shall not delegate the Auto Glass Services referred to it by TAG, or any portion of such services, to any third party without the prior written approval of TAG, which approval may be withheld in TAG's sole and absolute discretion.

f) **Books and Records.** Participant shall, **(i)** prepare and retain such records in Canada in respect of Auto Glass Services performed by it, in accordance with customary practices consistently applied in the ordinary course of business, for a period of seven (7) years, in hard copy and electronic format as TAG or the Work Provider may from to time require (collectively, "**Auto Glass Services Records**"); and **(ii)** deliver to, or present for inspection by TAG or the Work Provider, in the form requested by TAG or the Work Provider, within five (5) days of a request.

Without limiting the generality of the foregoing, the Auto Glass Services Records shall include:

- Customer signature on Participant's invoice/work order
- Vehicle description including VIN and odometer reading
- Documentation sufficient to establish purchases of all windshield and related parts used
- Detailed description of Auto Glass Services provided, including confirmation of diagnostics completed and successful calibration
- Photographs of damage to Customer's vehicle

g) **Complaint Resolution.** Participant shall respond to, and initiate all appropriate corrective actions within twenty-four (24) hours of receiving notice of a complaint from a Customer or Work Provider (a "**Complaint Notice**"), and resolve the issue which is the subject of the Complaint Notice, to the satisfaction of the Customer or Work Provider, within forty-eight (48) hours of receiving the Complaint Notice, or prior to expiration of such longer cure period as TAG may approve in writing. If a Customer or Work Provider, acting reasonably, is not satisfied with the steps taken by Participant to address a Complaint Notice, the original amount of the Auto Glass Services in question will be deducted in full from any amounts that Participant may be

entitled to receive for other Auto Glass Services performed by it, and refunded to the Work Provider, regardless whether or not Participant believes the Customer or Work Provider should be satisfied.

h) **Verification of Referral.** Participant shall take all reasonable steps to ensure that the information set out in the originating dispatch or request for Auto Glass Services concerning, without limitation, the Work Provider, Customer, description and registration of the vehicle, and particulars of the Customer's policy of automobile insurance, matches the documentation presented by the Work Provider or Customer, as the case may be, and is otherwise complete and accurate, and shall notify TAG immediately upon becoming aware of any discrepancies. Participant shall request prior authorization in writing from the Work Provider if any work is required to be performed in addition to the Auto Glass Services requested and identified in the original dispatch.

i) **Quality Assurance.** Participant does, as of the Effective Date, and will throughout the Term, and any Renewal Term(s), comply with all specifications, quality standards, laws and regulations applicable to the performance of the Auto Glass Services. Participant represents and warrants that its personnel are suitably trained and certified, and will at all times maintain such skills, qualifications and expertise necessary to complete the Auto Glass Services in a good and workmanlike manner consistent with industry standards adhered to by top tier providers of the same or similar services. Participant acknowledges and agrees that it may be subject to quality assurance reviews and inspections by TAG, one of its agents or representatives.

j) **Compliance with Applicable Laws.** In connection with Participant's business operations, Participant shall obtain and maintain, in full force and effect, all business and other licenses, sales tax registrations, taxpayer identification numbers, and all other permits, and records required by any and all local, state or federal laws, rules and regulations, and shall otherwise operate and perform the Auto Glass Services in compliance with all applicable laws and regulations of the governmental and other regulatory authorities having jurisdiction over Participant and its business.

k) **Work Provider Requirements.** You may be required to sign additional agreements with a Work Provider, including in relation to procedures for servicing the Customers of that Work Provider, and for receiving payments from that Work Provider, and otherwise comply with the applicable policies and procedures of the Work Provider, before you begin providing the Auto Glass Services to its Customers.

4) **PRICING, INVOICING AND FEES**

a) All services provided under this Agreement shall be quoted, invoiced, and paid in United States Dollars.

b) Upon completion of the Auto Glass Services, Participant will submit all invoices and any other documentation requested by TAG to TAG within three (3) business days by faxing to 888-398-5795 or email TAG@FIXNETWORK.COM. The deductible payable by the Customer, if any, shall be collected by Participant.

c) The Total Payable on Control Number for the Auto Glass Services performed by Participant (as specified in the originating dispatch issued by TAG to Participant) (the "**Auto Glass Services Cost**") will, within thirty (30) days after such amount is received by TAG from the Work Provider, and subject to the adjustments set forth below in this Subsection 3(c) TAG shall cause such funds to be paid to Participant.

i) The rates to be applied in connection with the performance of the Auto Glass Services will be communicated to Participant via the aforesaid originating dispatch and may include an administration fee, plus applicable sales taxes thereon, payable to TAG (the "**Administration Fee**"), and all Taxes (as defined below) on the Administration Fee. Any adjustment to the Auto Glass Services Cost must be authorized by the Work Provider in writing.

ii) In the event you are then in default of any financial obligation to the Franchisor under your Franchise Agreement, and/or any related agreements with the Franchisor, its affiliates or suppliers, TAG shall have the right, but not the obligation, to withhold an amount necessary to bring your obligations current, and TAG will then release the balance, if any, to you.

d) The invoices prepared by Participant for Auto Glass Services performed for the Work Provider and\or Customer must be issued in the name of such Work Provider or Customer, as the case may be, and delivered to TAG for processing and distribution.

e) Participant acknowledges and agrees that TAG is acting only as a payment intermediary and facilitator on behalf of the Work Provider or Customer.

5) **TAXES**

a) Participant will be responsible to determine, charge, collect and remit to the appropriate Government authority the appropriate local, state and federal taxes of any nature or kind ("**Taxes**") required to be collected and remitted in respect of the Auto Glass Service(s) rendered by it.

b) Participant will be responsible for submitting all applicable taxes in respect of all Auto Glass Services rendered to the appropriate governmental entity as and when due, and will indemnify and save harmless TAG, and its affiliated and related entities, and each of their respective shareholders, directors, officers, employees, agents and representatives, from and against any claims and all liability for any loss, damage, injury, fines, penalties or other expense arising from any failure by Participant to fully comply with the provisions of this Section 5.

6) **INSURANCE COVERAGE**

a) Participant must carry Worker's Compensation Insurance, and Employer's Liability Insurance, that adheres to all applicable statutory requirements in any state where it has employees.

b) Participant must carry Commercial General Liability insurance with coverage limits not less than $2,000,000 for each occurrence of property damage, bodily injury or personal injury liability.

c) Participant must carry insurance for Automobile Liability and insurance for damage to vehicles belonging to a Work Provider or Customer vehicles while in the care, custody and control of Participant, with limits that are reasonable and customary in the industry.

d) TAG must be notified in writing **(i)** at least thirty (30) days in advance should Participant cancel any insurance coverage required under this section; and **(ii)** immediately upon the revocation of any such insurance coverage by Participant's insurance carrier for any reason.

e) Participant shall at all times name TAG as an additional insured under all policies of insurance required hereunder and, upon a request by TAG, Participant shall provide to TAG a certificate of insurance and/or other satisfactory evidence of the insurance policies and coverages required under this section.

7) **INDEMNIFICATION; LIMITATION OF LIABILITY**

a) Participant shall defend, indemnify and hold harmless TAG, its affiliates, and their respective officers, directors, shareholders, agents and employees ("**Others**") from and against any and all liabilities, claims, suits or actions, costs, damages and expenses whatsoever (including, without limiting the generality of the foregoing, reasonable attorney's fees and other costs of litigation) which may be brought or made against TAG, its affiliates or Others, or which TAG, its affiliates or Others may sustain, pay or incur as a result of, or in connection with, **(i)** any breach or failure by Participant to perform or observe any covenant required to be performed or observed by it under this Agreement; and/or **(ii)** any damage to property or injury to a person or persons, including death, occasioned by Participant or its officers, directors, agents or employees. This indemnification provision shall survive the termination of this Agreement indefinitely.

b) Notwithstanding anything contained herein, Participant acknowledges that under no circumstances shall TAG be liable for lost revenue or profits, interruption of Participant's business operations or any other loss, injury or damage, whether based on contract, tort or otherwise, or for any special, incidental, indirect or consequential damages whatsoever, even if such damages were foreseeable or Participant informed TAG the potential for such damages. This provision shall survive the termination of this Agreement indefinitely.

8) **CONFIDENTIALITY AND NON-DISCLOSURE**

Participant, together with, as applicable, its subsidiaries, affiliates, representatives, distributors, subcontractors and divisions, acknowledges that, in doing business with TAG and the Work Providers, it may be exposed to, have access to, learn of and/or obtain non-public and confidential financial, proprietary, personal and/or trade secret information of the Work Provider and/or Customers (collectively, the "**Confidential Information**"). For greater certainty, the parties agree that all information received by Participant from TAG, a Work Provider or a Customer, in connection with the request for, performance and invoicing of Auto Glass Services shall at all times be considered and deemed to be included in Confidential Information.

Participant agrees that it and its employees, agents and contractors will hold and treat all Confidential Information in a confidential manner and will not, without the prior written consent of the Work Provider or Customer, as the case may be, **(i)** use any of the Confidential Information for any purpose other than for the purposes of this Agreement and/or in direct connection with the performance of the Auto Glass Services to be

provided to the Work Provider and Customer hereunder (a "**Permitted Purpose**"); or **(ii)** disclose any of the Confidential Information to any third party. In addition, Participant agrees that it will only reveal Confidential Information in connection with a Permitted Purpose to persons who are informed by Participant of the confidential nature of the information and who agree to be bound by the terms and conditions of this Agreement with respect thereto, and Participant agrees to take appropriate steps to ensure that any person to whom the Confidential Information is disclosed abides by the provisions hereof in respect thereto.

Participant agrees that the obligations contained in this Section 8 shall survive the termination of this Agreement, and/or Participant's relationship with TAG. Participant also agrees that upon a request by TAG, a Work Provider or Customer, Participant will promptly return, or destroy all of the Confidential Information, including all copies thereof (whether in paper, electronic, machine readable or any other form) furnished to or in the possession of Participant, or its representatives, employees, agents or contractors.

9) **INTERPRETATION AND ENFORCEMENT OF AGREEMENT**

All of the provisions of the Franchise Agreement, identified under the Article entitled "INTERPRETATION AND ENFORCEMENT OF AGREEMENT," are hereby incorporated herein by reference, and shall be deemed a part of this Agreement, except as follows:

a) All references in the Franchise Agreement to "we" or "us" shall be deemed references for purposes of this Agreement to TAG.

b) All notices required to be sent to TAG under this Agreement shall be addressed to:

650 Pelham Boulevard
Suite 100
St. Paul, Minnesota
55114

c) This Agreement shall not be deemed to supersede or terminate any portion of the Franchise Agreement, but shall otherwise supersede and terminate all prior agreements, either oral or in writing, between Participant and TAG with respect to the TAG Services.

10) **GOVERNING LAW**

This Agreement and the relationship between the Parties will be governed by the laws of Minnesota, but if you are not a resident of Minnesota, or your APR, as defined in the Franchise Agreement, does not include a portion of Minnesota, then the Minnesota Franchises Act will not apply to this Agreement.

IN WITNESS WHEREOF, each of the Parties has signed this Agreement effective as of the day and year appearing on the first page.

SPEEDY NOVUS GLASS LLC

By: _____
Name:

[INSERT LEGAL NAME OF PARTICIPANT]

By: _____
Name:

NOVUS FRANCHISING 2 LLC

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT H: SOFTWARE SUBLICENSE AGREEMENT

NOVUS FRANCHISING 2 LLC POINT OF SALE SOFTWARE SUBLICENSE AGREEMENT

1. PARTIES.

This SOFTWARE SUBLICENSE AGREEMENT (this "Agreement") is entered into effective as of the _____ day of _____, 20__ (the "Effective Date"), by and between NOVUS FRANCHISING 2 LLC, ("NF2"), a Delaware limited liability company, and _____ _____, a(n) _____ (the "Licensee").

2. SOFTWARE.

NF2 has the right and authority to sublicense to Licensee point of sale software that is licensed to NF2 by a third party software provider ("Licensor"), for use in connection with the operation of Licensee's franchised Novus® business ("Novus Business"). "Software" means all point of sale software products supplied to Licensee by NF2 in a machine-readable form (i.e. object code). "Software" will also include any documentation, instructions and other material related to the Software provided by NF2 in machine-readable or printed form. "Software" will include error corrections supplied by NF2 pursuant to this Agreement, and will include enhancements, upgrades and other modifications to the Software developed by Licensor after the date of this Agreement and made available to NF2 under its license agreement with Licensor. "Software" will not include any stand-alone modules developed for use in connection with the Software. Licensee will not be supplied with or have access to the source code for the Software.

3. FRANCHISE AGREEMENT.

Licensee has signed a Franchise Agreement with NF2 on or before the date of this Agreement (the "Franchise Agreement"). Under the Franchise Agreement Licensee operates or will operate the Novus Business. Licensee desires to obtain a sublicense from NF2 to use the Software in connection with the operation of the Novus Business.

4. HARDWARE AND SOFTWARE.

Licensee has independently acquired, at its sole expense, prior to or concurrently with delivery of the Software by NF2, computer hardware and peripheral equipment, operating system software, and other computer hardware and software to support the operation of the Software ("Equipment"). Licensee will, at its sole expense, acquire such other hardware or third-party software as may be required to support the Software used in connection with the operation of the Novus Business, and will pay all license or user fees payable with respect to any software required to support the operation of the Software. Licensee acknowledges that Licensee has received a list of designated Equipment approved by NF2 to support the Software. Licensee acknowledges that where Licensee does not acquire and use designated Equipment, NF2 may not provide Support Services (as defined in Paragraph 6(b)) to Licensee and the provisions of Section 6 will apply.

5. GRANT OF LICENSE.

NF2 grants to Licensee a non-exclusive and non-transferable sublicense to use one (1) copy of the Software on a single computer (one CPU) authorized by NF2 in connection with the operation of the Novus Business, as defined in the Franchise Agreement, subject to the terms and conditions of this Agreement, any and all license agreements with Licensor for the Software which Licensee must accept in order to use the Software, and the terms and conditions of the Online Services Agreement between NF2 and Licensor. This Agreement is subject to the terms and conditions of the Online Services Agreement between NF2 and Licensor, and Licensee agrees to comply with all of those terms as if they were

specifically set forth in this Agreement. Licensee is strictly prohibited from using the Software: (a) on more than one computer at the location of the Novus Business or at any location other than the Novus Business, (b) for any purpose other than supporting the operation of the Novus Business, or (c) after the expiration or termination of this Agreement.

6. LICENSE, MAINTENANCE AND OTHER FEES.

(a) In consideration of the grant of this Agreement by NF2 to Licensee, Licensee will pay NF2 an initial license and set-up fee of $3,000 ("License Fee"), upon execution of this Agreement, in exchange for which NF2 will waive the first year monthly Maintenance Fees (as defined below) for the first basic software license granted under this Agreement; provided, however, that if this Agreement is executed in connection with a Re-Franchise of the Novus Business, then in lieu of this payment, and in lieu of this waiver, Licensee will pay NF2 a conversion fee of $350, upon execution of this Agreement, to convert Licensee to the Software identified in this Agreement;

(b) In consideration of the maintenance services (collectively, the "Maintenance Services") and support services ("Support Services") provided by NF2 for the Software as defined under Sections 9 and 10, and in consideration of the grant of additional licenses by NF2 to Licensee, beyond the basic license described above, of this Agreement, Licensee will pay NF2 the maintenance fees ("Maintenance Fees") set out in Schedule A. The monthly Maintenance Fees will be payable to NF2 by monthly payments in advance on or before the 10th day of each month throughout the entire term of this Agreement, beginning the second year of this Agreement. Any one-time Maintenance Fees will be due upon execution of this Agreement. Licensee will pay all applicable sales, use, excise, and other taxes on the Software, except for taxes based on NF2's net income. Licensee acknowledges that the Maintenance Fees may be increased by NF2, acting reasonably, no more than once per calendar year during the term of this Agreement on 30 days prior written notice to Licensee. Where Licensee does not use designated Equipment to support the Software, NF2 will have no obligation to provide Support Services. Where no Support Services are provided, Licensee will pay a reduced fee for Maintenance Services only. Where Licensee does not use designated Equipment, NF2 may, at its sole discretion, offer and provide Support Services at an hourly fee or such other rate (with a minimum of one quarter hour) as may be set by NF2 from time to time; and

(c) NF2 may release separate, optional modules and components for use with the Software. NF2 may charge a fee to Licensee for separate modules and components and require Licensee to enter into a separate agreement or an amendment of this Agreement.

7. INTEREST ON PAST DUE FEES.

Licensee will pay NF2 interest at the rate of one and one-half percent (1 1/2%) per month, or the maximum rate permitted by applicable law, whichever is less, on any unpaid Maintenance Fees for each calendar month or for part of a month that any payments remain unpaid.

8. TERM.

Unless sooner terminated in accordance with this Agreement, the term of this Agreement and the sublicense granted under this Agreement will begin on the Effective Date and continue, until the earlier to occur of (i) the expiration or termination of the Franchise Agreement or (ii) the expiration or termination of the Online Services Agreement between Licensor and NF2 referenced in Section 5 above. If the Franchise Agreement and Licensee re-franchises the Novus Business, Licensee will sign NF2's then-

current form of Software Sublicense Agreement prior to such expiration, provided that the License Fee will be waived and Licensee will continue to pay any monthly Maintenance Fees or other monthly fees as provided therein, as of the commencement of that agreement.

9. MAINTENANCE AND SUPPORT.

(a) Provided Licensee is not in arrears in respect of payment of Maintenance Fees, NF2 will continue to provide Licensee with Maintenance Services during the term of this Agreement. Maintenance Services will comprise of enhancements, upgrades and any modifications to the Software and will include bug fixes for the Software pursuant to this Agreement;

(b) Provided Licensee: (i) uses designated Equipment to support the Software; (ii) has implemented all upgrades to the Software as required by NF2; and (iii) Licensee is not in arrears in respect of payment of Maintenance Fees, NF2 will continue to provide Licensee with Support Services during the term of this Agreement. Support Services will comprise technical and implementation assistance and support by telephone, facsimile or electronic mail during normal business hours of NF2, or at any other reasonably practical time. If Licensee fails at any time to comply with any one or more of conditions (i) to (iii) of this provision, NF2 may, at its sole discretion, terminate any or all of the Support Services. After the first three-month period from the date of acquisition of the Software, Support Services included in the Maintenance Fees are subject to a maximum of two hours of Support Services per month. Support Services for any additional hours (with a minimum of one quarter hour) will be provided at such hourly rate as is specified by NF2 from time to time; and

(c) NF2 will have no obligation to provide or continue to provide Maintenance Services or Support Services for Software that is altered, modified, mishandled, destroyed or damaged by natural causes or the act of omission of Licensee, its employees or agents or any third party or by use other than is provided for in this Agreement and in any documentation and instructions provided by NF2.

10. CORRECTION OF DEFECTS/BUG FIXES.

NF2 will have no responsibility to correct defects attributable to the Software or any other third party software or hardware. In the event that a defect causes the Software to become inoperable or if such defect is interfering with the Novus Business, NF2 will notify Licensor and may, at its option, attempt to assist Licensee to correct such defect. In such an event, Licensee will provide reasonable access to any of its hardware or software, including all relevant documentation and records, and will provide such reasonable assistance as NF2 or Licensor may request, including sample output and other diagnostic information in order to assist in providing defect correction services. Licensee agrees to implement the latest upgrade to the Software if required by NF2 to correct any defect.

11. REPRODUCTION AND MODIFICATION OF SOFTWARE.

Licensee is permitted to reproduce the Software for use in connection with the Novus Business only as required for back-up, archival, maintenance or disaster relief purposes in connection with the operation of the Novus Business. Licensee will have not more than one back-up copy of the Software in its possession at any one time. Any copy of the Software, in whole or in part, will contain all of Licensor's restrictive and proprietary notices as they appear on the copy of the Software provided by NF2, and any other such notices as may be required by NF2. Licensee will not duplicate, in whole or in part, any manuals or other

documentation relating to the Software without NF2's prior written consent. Licensee will not modify, change or add to the Software except with NF2's prior written consent.

12. OWNERSHIP.

Licensee is granted only a sublicense to use the Software. NF2 is licensed to use and sublicense the Software to its franchisees for use in their Novus Businesses. Licensor retains all title to and ownership of the Software, the media containing the Software and other rights therein, and reserves all rights in the patents, copyrights, trade secrets and other intellectual property in the Software. Licensee will not contest or challenge the title to the intellectual property rights or other rights in and to the Software either during or after termination or expiry of this Agreement. In the event that NF2's license to use and sublicense the Software is terminated, expires or is modified for any reason, NF2 may require Licensee to immediately return the Software to NF2 at NF2's request, and NF2 may terminate this Agreement without any further obligation to Licensee.

13. CONF2DENTIAL INFORMATION.

Licensee agrees that the Software is confidential to and the proprietary information of Licensor, and is licensed to NF2, and that its unauthorized use, sale, license, sublicense, distribution or disclosure could cause Licensor and NF2 irreparable harm. Licensee agrees not to disclose the Software or any information relating to or disclosed in connection with the Software, or make such information available to anyone other than Licensee's employees or contractors unless Licensee has NF2's prior written consent. Licensee will exercise no less than reasonable care to protect the Software and any such information from unauthorized disclosure, and will take reasonable steps to ensure that Licensee's employees and contractors do not disclose it in violation of this Agreement. Licensee will be liable to Licensor and NF2 for damages if Licensee is negligent in protecting the Software and any confidential information in accordance with this Agreement. **LICENSEE WILL NOT DISASSEMBLE, DECOMPILE, OR REVERSE ENGINEER THE SOFTWARE UNDER ANY CIRCUMSTANCES.**

14. NO WARRANTIES.

LICENSEE ACKNOWLEDGES THAT THE SOFTWARE IS LICENSED TO NF2 AND THAT NF2 IS PROVIDING THE SOFTWARE DIRECTLY TO LICENSEE, AND THUS THE SOFTWARE IS PROVIDED "AS-IS," WITH ALL FAULTS, AND WITHOUT ANY WARRANTY WHATSOEVER. LICENSOR EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, GUARANTEES OR REMEDIES, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR PERFORMANCE. NF2 does not warrant that the Software will meet Licensee's requirements, operate without interruption, or be free of defects. The entire risk as to satisfactory quality, performance, impact and result of the Software is with Licensee.

15. LIMITATION OF LIABILITY.

UNDER NO CIRCUMSTANCES WILL NF2 OR LICENSOR BE LIABLE TO LICENSEE OR ANY THIRD PARTY FOR LOSS OF DATA, REPROCUREMENT COSTS, LOST REVENUE OR PROFITS, INTERRUPTION OF LICENSEE'S BUSINESS OPERATIONS, OR FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES WHATSOEVER EVEN IF THEY WERE FORESEEABLE OR LICENSEE HAS INFORMED LICENSOR OF SUCH POTENTIAL DAMAGES. NF2's total liability to Licensee for damages under this Agreement for any reason will in no event exceed the total of the Maintenance Fees paid by Licensee.

16. INDEMNIFICATION.

Licensee agrees to indemnify, defend, and hold NF2 and Licensor harmless from and against any liability, loss, claims, damages or otherwise, including without limitation reasonable attorneys' fees, arising out of or relating to any violation by Licensee of any provision of this Agreement, the use by Licensee of the Software or any part thereof, or any claim by any third party that Licensee's use of the Software or part thereof has caused damage.

17. PROPRIETARY RIGHTS INDEMNITY.

If, in Licensor's or NF2's opinion, the Software or any component of the Software is likely to become the subject of any claim that the Software infringes the intellectual property rights of third parties, then Licensor or NF2, as applicable, will have the right, at its option and expense, to attempt to either secure the right to continue using the Software, or else replace or modify the Software so that it becomes non-infringing without materially affecting Licensee's ability to use it. If neither of these alternatives is available on terms which Licensor and NF2 deems to be reasonable, then Licensee will return the Software to NF2 at NF2's request, this Agreement will terminate and NF2 will have no further obligations to Licensee with regard to the Software. Further, if any such claim is brought, Licensor and NF2 will have the sole authority (but not the obligation) to defend the case, and to control such defense and any related settlement negotiations.

18. ASSIGNMENT.

Licensee will not sublicense, transfer, rent or lease the Software except in connection with an assignment of the Novus Business pursuant to and in accordance with the terms and conditions of the Franchise Agreement, and only provided Licensee obtains NF2's prior written consent. If NF2 gives Licensee authorization to transfer this Agreement and the license granted hereunder to use the Software, the assignee must agree to accept the terms and conditions of this Agreement or sign NF2's then-current License Agreement, at NF2's option, and Licensee must either destroy any copy of the Software Licensee does not transfer or return it to NF2 upon NF2's request. NF2 will have the right to assign this Agreement or any portion of this Agreement, including without limitation, the rights to receive License Fee and Maintenance Fees, to a parent or affiliate company, a successor in interest, or other transferee upon notice to Licensee.

19. COMPLIANCE WITH LAWS.

Licensee will use the Software in compliance with, and will otherwise fully comply with, all applicable laws, ordinances, code, rules and regulations, whether federal, state or local, in connection with Licensee's performance of this Agreement.

20. DEFAULT.

Any of the following occurrences will constitute an "Event of Default" under this Agreement:

(a) Licensee fails to pay when due the License Fee, any Maintenance Fees or other charge or fee payable to NF2 pursuant to this Agreement;

(b) Licensee breaches or is in default of any other provision of this Agreement and such breach or default is not corrected within 30 days, or such other period of time specified by applicable law, after NF2 gives Licensee written notice of breach;

(c) The Franchise Agreement is terminated for any reason or expires and is not renewed;

(d) Licensee is in default of any of its obligations under the Franchise Agreement and fails to correct such default in accordance with the notice and cure provisions of such agreement; or

(e) In the event of the bankruptcy, insolvency or receivership of Licensee or if Licensee ceases or threatens to cease to carry on business.

21. LICENSOR'S REMEDIES UPON DEFAULT.

Upon the occurrence of any Event of Default, NF2 will have the right to exercise any or all of the following rights and remedies:

(a) Terminate this Agreement;

(b) Declare all amounts owed to NF2 pursuant to this Agreement to be immediately due and payable;

(c) Require that Licensee cease use of the Software and immediately return the Software to NF2;

(d) Cease performance of all of NF2's obligations under this Agreement without liability to Licensee; and/or

(e) Use computer hardware and/or computer software to render the Software unusable to Licensee.

22. SOLE AGREEMENT; MODIFICATION.

This Agreement, together with any license agreements for the Software which Licensee must accept in order to use the Software, is the sole agreement between the parties relating to the subject matter of this Agreement and supersedes all prior understandings, writings, proposals, representations or communications, oral or written, of either party. However, nothing in this or in any related agreement is intended to disclaim the representations made by NF2 in the Franchise Disclosure Document furnished to Licensee prior to its execution of this Agreement. This Agreement may be amended only by a writing executed by the party against whom enforcement is sought.

23. GOVERNING LAW.

This Agreement will be interpreted in accordance with the substantive laws of Minnesota without reference to the place of execution or performance.

24. COSTS AND ATTORNEYS' FEES.

Licensee will indemnify NF2 for all costs that NF2 incurs in any lawsuit or proceeding to enforce this Agreement including, without limitation, actual attorneys' fees, expert witness fees, costs of investigation, court costs, litigation expenses, travel and living expenses, and all other costs incurred by NF2.

25. SEVERABILITY.

All provisions of this Agreement are severable and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained in this Agreement and partially valid and enforceable provisions will be enforced to the extent valid and enforceable.

26. WAIVER; CONSENT.

NF2 and Licensee may, by written instrument signed by NF2 and Licensee, waive any obligation of or restriction upon the other under this Agreement. Acceptance by NF2 of any payment by Licensee and the failure, refusal or neglect of NF2 to exercise any right under this Agreement or to insist upon full compliance by Licensee of its obligations will not constitute a waiver by NF2 of any provision of this Agreement. Whenever this Agreement requires NF2's prior written consent, such consent may be withheld by NF2 for any reason whatever.

27. NO RIGHTS OF OFFSET.

Licensee will not, on grounds of the alleged non-performance by NF2 of any of its obligations or for any other reason, withhold payment of the License Fee or any Maintenance Fees or payments due NF2 pursuant to this Agreement or pursuant to any other contract, agreement or obligation. Licensee will not have the right to "offset" any liquidated or unliquidated amounts, damages or other funds allegedly due to Licensee by NF2 against any payments due to NF2 under this Agreement.

28. LICENSOR'S RIGHTS CUMULATIVE.

The rights of NF2 are cumulative and no exercise or enforcement by NF2 of any right or remedy will preclude the exercise or enforcement by NF2 of any other right or remedy or which NF2 is entitled by law to enforce.

29. JURISDICTION; VENUE.

All litigation, court hearings, actions or proceedings initiated by either party against the other to enforce or construe this Agreement or resolve any dispute arising under, or as a result of, or in connection with this Agreement, will be brought, venued and maintained exclusively in strict accordance with the laws of Minnesota. Both parties hereby submit to personal jurisdiction in Minnesota for the purposes of any litigation, court hearings, actions or proceedings.

30. BINDING AGREEMENT.

This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest.

31. NOTICES.

All notices to NF2 or Licensee will be given in accordance with and subject to the corresponding applicable terms and conditions of the Franchise Agreement.

32. COUNTERPARTS.

This Agreement may be executed simultaneously in multiple counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

33. FORCE MAJEURE.

NF2 will not be liable to Licensee for any delay or failure in performance of NF2's obligations under this Agreement whatsoever if caused by delays attributable to Acts of God, earthquakes, shortages of supplies, labor disputes, riots, acts of war or terrorism, fire and similar causes or any other circumstances beyond the reasonable control of NF2.

34. SURVIVAL.

The definitions of this Agreement and the respective rights and obligations of the parties under Sections 12-19, and 21-34 shall survive any termination or expiration of this Agreement.

35. SUBSTITUTION OF SOFTWARE.

If NF2, in its sole discretion, withdraws approval to its franchisees of the use of the Software, or NF2 loses the right to sublicense the Software, and if NF2 makes arrangements to obtain alternate software for license or sublicense to its franchisees, NF2 shall have the right to substitute such software for the Software, and the license of such substitute software shall be governed by the terms of this Agreement. If such substitution is made, then thereafter, all references in this Agreement to Licensor shall be deemed references to the new licensor of such substitute software, and all reference herein to the "Software" shall be deemed references to the substitute software.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the day and year first above written.

"LICENSEE"	"NF2"
	NOVUS FRANCHISING 2 LLC
By:_____	By:_____
Its:_____	Its:_____

SCHEDULE A

FEES

Description	**Price Range**
Basic License	$150 to $175 per month (***includes 3 user licenses***)
Additional User license above first three (3) User licenses	$25to $30 per user license per month
Integrating Software with QuickBooks (***One Time Fee***)	$130 to $150 per location
NAGS	$700 to $950 per year per user
Shop Onboarding Fee (***One Time Fee***)	$300 to $350 per location
Technician Route Direct License	$50 to $60 per user license per month
Microsoft Office Standard Online Subscription	$20 to $25 per user license per month
Mobile Application	$20 to $35 per user license per month

NOVUS FRANCHISING 2 LLC

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT I: TABLES OF CONTENTS OF MANUALS

NOVUS FRANCHISING 2 LLC

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT I-1: AUTO GLASS REPLACEMENT MANUAL

TABLE OF CONTENTS

SUBJECT	PAGE	Total Pages
COVER, INTRODUCTION, TRADEMARKS, TABLE OF CONTENTS, AND LIST OF FIGURES	1	7
WELCOME LETTER FROM NOVUS	8	2
WELCOME LETTER FROM REGIONAL TRAINING CENTER	10	2
STANDARDS OF CONDUCT AND CORRECTIVE ACTION	12	2
OCCUPATIONAL SAFETY AND HEALTH	14	2
FEDERAL OSHA STANDARDS	16	6
SDS TRAINING	22	2
PERSONAL PROTECTIVE EQUIPMENT	24	4
GLASS COMPOSITION AND STRUCTURE	28	2
A HISTORICAL PERSPECTIVE	30	4
REGULATIONS AND STANDARDS	34	4
VEHICLE PRE-INSPECTION	38	4
REFERENCE MATERIAL	42	6
TROUBLESHOOTING ELECTRICAL PROBLEMS	48	2
REMOVING AND INSTALLING A WINDSHIELD	50	12
AUTO GLASS REPLACEMENT TOOLS	62	2
VEHICLE TYPES	64	2
CUSTOM ACCESSORIES	66	4
BONDING SURFACE PREPARATION	70	2
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NOVUS FRANCHISING 2 LLC

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT I-2: AUTO GLASS REPLACEMENT WORKBOOK

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FUNDAMENTALS OF NOVUS AGR TRAINING	10	2
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PRICING EDUCATION WORKSHEET	14	2
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NOVUS FRANCHISING 2 LLC

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT I-3: WINDSHIELD REPAIR MANUAL

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EXHIBIT I-5: BRAND STANDARDS MANUAL

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EXHIBIT J: FRANCHISEE DISCLOSURE QUESTIONNAIRE

FRANCHISEE DISCLOSURE QUESTIONNAIRE

If you are a resident of the State of California or your franchise is located in California you are not required to sign this Questionnaire. If any California franchisee completes this Questionnaire, it is against California public policy and will be void and unenforceable, and we will destroy, disregard, and will not rely on such Questionnaire.

Do not sign this Questionnaire if you are a resident of Maryland or Washington, or if the franchise is to be operated in Maryland or Washington.

As you know, Novus Franchising 2 LLC ("we" or "us") and you are preparing to enter into a Franchise Agreement under which you will have the right to operate a franchised Novus Glass® business (the "Franchise"). The purpose of this Questionnaire is to be certain you have received and reviewed the franchise and license documents, and confirm that no statements or promises were made to you that we have not authorized. Please review each of the following questions carefully and provide honest responses to each question.

1. Have you received and personally reviewed our Franchise Disclosure Document (the "Disclosure Document") provided to you?
   Yes _____ No_____

2. Did you sign a receipt for the Disclosure Document correctly indicating the date you received it?
   Yes _____ No_____

3. Have you had sufficient opportunity to review the information contained in the Disclosure Document?
   Yes _____ No_____

4. Have you received the Franchise Agreement and each exhibit or schedule attached to it?
   Yes _____ No_____

5. Please insert the date on which you received a copy of the Franchise Agreement with all material blanks completed:
   _____ , 20 _____

6. Have you had sufficient opportunity to review the terms of and your obligations under the Franchise Agreement?
   Yes _____ No _____

7. Have you had sufficient opportunity to discuss the benefits and risks of operating a Novus Glass® business with an attorney, accountant or other professional advisor?
   Yes _____ No _____

8. Do you understand that your success or failure in a Novus Glass® business will depend in large part upon your skills and abilities, your individual efforts, competition, the economy, labor and supply costs, lease terms, the marketplace, and other factors beyond our control?
   Yes _____ No _____

9. Has any employee of ours, or other person speaking on our behalf, made any statement or promise concerning the actual, average or projected revenues or profits for your Novus Glass® business, or for any Novus Glass® business, or for any glass repair and/or replacement business, other than as stated in our Disclosure Document?

Yes _____ No _____

10. Has any employee of ours, or other person speaking on our behalf, made any statement or promise to you, assuring you of any degree of success in operating a Novus Glass® business?
Yes_____ No_____

11. Has any employee of ours, or other person speaking on our behalf, made any statement or promise or agreement that you would have any options or rights of first refusal in your Territory or trade area, or in any other trade area, or that we would not grant franchises to others to operate in your Territory, other than as stated in our Franchise Agreement, our Disclosure Document, or, if applicable, an Area Development Agreement between us?
Yes_____ No_____

12. Has any employee of ours, or other person speaking on our behalf, made any statement or promise or agreement, other than (i) the statements in our Disclosure Document, (ii) the agreements contained in the Franchise Agreement, and (iii) the statements contained in any vehicle lease agreement with us?
Yes _____ No _____

13. If you answered "Yes" to any of questions 9, 10, 11, or 12, please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below). If you have answered "No" to each of those questions, please leave the following lines blank.

_____
_____
_____
_____
_____
_____

By signing below, you acknowledge that your answers are important to us and that we will rely on them.

By signing this Questionnaire, you are representing that you have responded truthfully to the above questions, and you acknowledge we are relying on your responses in determining to grant a franchise to you or to an entity you own.

_____	_____
APPLICANT NAME	APPLICANT NAME
_____	_____
APPLICANT SIGNATURE	APPLICANT SIGNATURE
Dated: _____ , 20_____	Dated:_____ , 20____

4856-9523-1645, v. 3

NOVUS FRANCHISING 2 LLC

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT K: PROCOLOR AMENDMENT

NOVUS GLASS

AMENDMENT TO FRANCHISE AGREEMENT

This **AMENDMENT TO FRANCHISE AGREEMENT** (this "**Amendment**") is entered into and made effective as of the ___ day of _____, 20___, by and between Novus Franchising 2 LLC, a Delaware limited liability company (the "**Franchisor**", "**us**" , "**we**" or "**Novus Glass**"), and _____, a California corporation (the "**Franchisee**," "**you**" or "**your**").

RECITALS

WHEREAS, you (or your affiliate) have entered into a franchise agreement with our affiliate, ProColor Collision USA LLC ("**ProColor Collision**") for the operation of a ProColor Collision Center business at _____ (the "**Location**"); and

WHEREAS, you and we are entering into a Franchise Agreement dated _____(the "**Franchise Agreement**"), for the operation by you of a Novus® retail business at the Location;

WHEREAS, you have requested, and we have agreed, to reduce the term of the Franchise Agreement and to reduce certain fees payable thereunder in consideration of you opening and operating a Novus® retail business at your (or your affiliate's) ProColor Collision Center business at the Location, which modifications, on the whole, you agree substantially benefit you.

NOW, THEREFORE, in consideration of the execution by each of the parties of the Franchise Agreement, the parties hereby agree as follows:

1. **Definitions**. Capitalized terms used but not defined in this Amendment have the meanings ascribed thereto in the Franchise Agreement.

2. **Term**. Section 3.1 of the Franchise Agreement is hereby deleted and replaced with the following:

> 3.1 **Term**. The term of this Agreement will be for 5 years (the "**Term**") and will begin on the date of this Agreement and end on the date that is 5 years from the date of this Agreement (the "**Expiration Date**").

3. **Your Option to Re-Franchise**. Section 3.2 of the Franchise Agreement is hereby modified to replace "10-year term" with "5 year term".

4. **Royalty Fees**. Section 5.4(a) of the Franchise Agreement is hereby deleted and replaced with the following:

> (a) *Amount Payable*. You shall pay to us during the entire Term a non-refundable monthly royalty fee (the "**Royalty Fee**") equal to the greater of: (a) the Minimum Monthly Royalty Fees set forth below in subsection 5.4(b); or (b) 6% of your Gross Revenues from

the sale of any and all Products and Services you sell in or from your Business. Notwithstanding the foregoing, so long as you continue to operate under a franchise agreement with our affiliate, ProColor Collision, any Gross Revenues from the sale of glass work done as part of a collision claim (the "**Collision Glass Work Gross Revenues**") shall not be reported to us so long as they are reported separately to ProColor Collision and you (or your affiliate) pay to ProColor Collision the royalty fee due under your (or your affiliate's) ProColor Collision Center franchise agreement with respect to such Collision Glass Work Gross Revenues. Notwithstanding the foregoing, if your (or your affiliate's) ProColor Collision Center franchise agreement expires or terminates for any reason, you (or your affiliate) assign or transfer the ProColor Collision Center franchise agreement to any third party, or ProColor Collision is no longer under common control or ownership with us, then you shall pay to us the Royalty Fee due under this Agreement for the Collision Glass Work Gross Revenues.

5. **Initial Fee**. Section 5.1(a) of the Franchise Agreement is hereby deleted and replaced with the following:

> (a) *Initial Fee*. You shall pay us an initial fee (the "**Initial Fee**") of $2,500 in consideration for our signing this Agreement.

6. **Initial Training Fee**. Section 5.2 of the Franchise Agreement is hereby deleted and replaced with the following:

> 5.2 **Initial Training Fee**. You must pay us a nonrefundable training fee of $10,000 (the "**Initial Training Fee**") for the Initial Training Program, the Initial Glass Repair Training and the Initial Glass Replacement Training (collectively the "**Required Training Programs**") as required under ARTICLE 9 of this Agreement.

7. **Equipment Packages**. You must purchase the following Accompanying Equipment Packages from us at the discounted price below:

Accompanying Equipment Package	Standard Price	Discounted Price
Windshield Repair Initial Purchased Equipment	$3,500	$3,000
Windshield Repair Leased Equipment	$2,500	$1,500
Initial Marketing Package	$5,000	$2,000

You must lease the Initial Equipment Package from our Affiliate, and purchase all other Accompanying Equipment Packages from us, at our standard prices as we may provide to you, including, without limitation, the Auto Glass Replacement Equipment, Van Office

Package, Initial Software Package, and Franchise Identification Package.

8. **Cross Default**. Any default or material breach by you under the Franchise Agreement or this Amendment shall be deemed a default and material breach by you (or your affiliate) under the ProColor Collision Center franchise agreement for the ProColor Collision Center operated at the Location. Any default or material breach by you (or your affiliate) under the ProColor Collision Center franchise agreement for the ProColor Collision Center operated at the Location shall be deemed a default and material breach by you under this Amendment and the Franchise Agreement. In either case, any such default or material breach shall entitle us and ProColor Collision to exercise any of the rights and remedies available to us under all of the foregoing agreements.

9. **Third-Party Beneficiary**. The parties agree that so long as ProColor Collision is under common control or ownership with us, ProColor Collision is a direct and intended third-party beneficiary of this Amendment, and shall be entitled to enforce the terms and conditions of this Amendment and to seek remedies for injunctive relief and specific performance in addition to whatever other remedies are available under this Amendment or applicable law.

10. **Amendment and Ratification**. This Amendment shall be considered a part of the Franchise Agreement and shall be governed by the provisions of the Franchise Agreement. Franchisee acknowledges and agrees that this Amendment, on the whole, confers substantial benefits on Franchisee in connection with the operation of the Novus® retail business at the Location. Except as specifically modified by this Amendment, each of the parties hereby ratifies and reaffirms its respective obligations under the Franchise Agreement.

11. **Counterparts**. This Amendment may be executed in multiple counterparts, each of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

FRANCHISOR:

NOVUS FRANCHISING 2 LLC

By: _____
Its: _____

FRANCHISEE:

By: _____
_____
Print Name
Its: _____

NOVUS FRANCHISING 2 LLC

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT L: STATE AGENCY EXHIBIT
AND AGENTS FOR SERVICE OF PROCESS

STATE AGENCY EXHIBIT
AND AGENTS FOR SERVICE OF PROCESS

CALIFORNIA
California Commissioner of Financial Protection and Innovation
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013-2244
(213) 576-7500 / Toll Free: 1-866-275-2677
www.dfpi.ca.gov
Ask.DFPI@dfpi.ca.gov

FLORIDA
Florida Department of Agriculture & Consumer Services
Division of Consumer Services
Mayo Building, Second Floor
Tallahassee, Florida 32399-0800
(850) 245-6000

HAWAII
Hawaii Commissioner of Securities
Department of Commerce & Consumer Affairs
Business Registration Division
335 Merchant Street, Suite 205
Honolulu, Hawaii 96813
(808) 586-2744

ILLINOIS
Office of Illinois Attorney General
Franchise Division
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

INDIANA
Administrator:
Securities Commissioner
Indiana Securities Division
302 West Washington Street, Room E-111
Indianapolis, Indiana 46204
(317) 232-6681
Agent:
Indiana Secretary of State
200 West Washington Street
Indianapolis, Indiana 46204

MARYLAND
Administrator:
Office of Attorney General
Maryland Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-7786
Agent for Service:
Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202
(410) 576-6360

MICHIGAN
Michigan Department of Attorney General
Consumer Protection Division
Antitrust and Franchise Unit
G. Mennen Williams Building, 1st Floor
525 W. Ottawa Street
Lansing, Michigan 48909
(517) 373-7117

MINNESOTA
Minnesota Commissioner of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1500

NEBRASKA
Nebraska Department of Banking and Finance
1526 K Street, Suite 300
Lincoln, Nebraska 68508
(402) 471-2171

NEW YORK
Administrator:
New York State Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8222
Agent:
New York Secretary of State
One Commerce Plaza
99 Washington Avenue, 6th Floor
Albany, NY 12231
(212) 416-8236

NORTH DAKOTA
North Dakota Securities Commissioner
Securities Department
600 East Boulevard Avenue
State Capitol, 14th Floor, Dept 414
Bismarck, North Dakota
58505-0510
(701) 328-4712

OREGON
Department of Insurance and Finance
Corporate Securities Section
Labor and Industries Building
Salem, Oregon 97310
(503) 378-4387

RHODE ISLAND
Rhode Island Director of Department of
Business Regulation
Securities Section
1511 Pontiac Avenue
John O. Pastore Complex – Building 68-2
Cranston, RI 02920
(401) 222-3048

SOUTH DAKOTA
Department of Labor and Regulation
Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-3563

TEXAS
Secretary of State
Registrations Unit
P.O. Box 13193
Austin, Texas 78711-3193
(512) 475-0775

UTAH
Utah Department of Commerce
Division of Consumer Protection
160 East 300 South
P.O. Box 45804
Salt Lake City, Utah 84145-0804
(801) 530-6601

VIRGINIA
Administrator:
State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9051
Agent for Service:
Clerk of the State Corporation Commission
1300 E. Main Street, 1st Floor
Richmond, VA 23219

WASHINGTON
Administrator:
Department of Financial Institutions
Securities Division
P.O. Box 41200
Olympia, WA 98504-1200
360-902-8760
Agent for Service:
Department of Financial Institutions
Securities Division
150 Israel Rd S.W.
Tumwater, WA 98501

WISCONSIN
Wisconsin Department of Financial
Institutions
Division of Securities
4822 Madison Yards Way, North
Tower
Madison, Wisconsin 53705
(608) 266-8557

State Effective Dates

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

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

State	Effective Date
California	Pending
Hawaii	Pending
Illinois	March 29, 2024
Indiana	Pending
Maryland	Pending
Michigan	March 29, 2024
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	March 29, 2024

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
NOVUS FRANCHISING 2 LLC
FRANCHISE DISCLOSURE DOCUMENT

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 Novus Franchising 2 LLC offers you a franchise or license, it must provide this Disclosure Document to you fourteen calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Novus Franchising 2 LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed in Exhibit L.

The franchisor is Novus Franchising 2 LLC, located at 650 Pelham Boulevard, Suite 100, St. Paul, Minnesota 55114. Its telephone number is (952) 944-8000.

Our authorized agents to receive service of process on our behalf in the different states are indicated in Exhibit L.

The name, principal business address, and telephone number of the franchise sellers offering this franchise are those checked below:

☐ Scott Rethwill, 650 Pelham Boulevard, Suite 100, St. Paul, Minnesota 55114, (952) 946-0463

☐ Rick Nedens, 650 Pelham Boulevard, Suite 100, St. Paul, Minnesota 55114, (406) 696-0102

☐ Dave Kalifeh, 650 Pelham Boulevard, Suite 100, St. Paul, Minnesota 55114, (612) 965-7263

☐ Scott Bridges, 650 Pelham Boulevard, Suite 100, St. Paul, Minnesota 55114, (984) 220-6622

☐ _____

I have received a Franchise Disclosure Document with an issuance date of March 29, 2024. This Franchise Disclosure Document includes the following exhibits: Exhibit A-1 - State Specific Addenda; Exhibit A - Financial Statements; Exhibit B - List of Operational Franchisees; Exhibit C - List of Discontinued Franchisees; Exhibit D - Novus® Area Development Agreement, Franchise Agreements, Re-Franchise Addenda, Delay of Vehicle Leasing Requirement Addendum, Multiple Store Operator (MSO) Royalty Credit Program Addendum and NAPA Co-Location Addendum; Exhibit E - Vehicle Lease Agreement; Exhibit F - Novus 2 Equipment Lease Agreement; Exhibit G - TAG Network Participant Agreement; Exhibit H - Software Sublicense Agreement; Exhibit I - Tables of Contents of Manuals; Exhibit J - Franchisee Disclosure Questionnaire; Exhibit K – ProColor Amendment; Exhibit L - State Agency Exhibit and Agents for Service of Process; State Effective Dates Page; and Receipts.

Please indicate the date on which you received this Disclosure Document, then sign and print your name below, indicate the date you sign this receipt, and promptly return one completed copy of the Receipt to Novus Franchising 2 LLC, at 650 Pelham Boulevard, Suite 100, St. Paul, Minnesota 55114, telephone: (952) 944-8000. The second copy of the Receipt is for your records.

Date Disclosure Document Received:

_____

_____
Prospective Franchisee's Signature

Date Receipt Signed:

_____
Print Name

_____
Address: _____

_____

RECEIPT
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Prospective Franchisee's Signature

Date Receipt Signed:

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Print Name

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Address: _____

_____