

FRANCHISE DISCLOSURE DOCUMENT



INTERSTATE BATTERY FRANCHISING
& DEVELOPMENT, INC.

www.allbatteryfranchise.com www.interstatebatteries.com/franchising

A Delaware Corporation
4301 121st Street
Urbandale, IA 50323
(515) 266-8207

The franchise relates to the development and operation of an Interstate All Battery Center retail store ("Center"). The Centers specialize in the sale of batteries and offer custom battery pack building, including battery packs for batteries that do not have a standard replacement. The general geographic area in which the franchisee will develop its Center will be determined by the franchisor, in consultation with the franchisee, before the franchise agreement is signed.

The total investment necessary to begin operation of ~~an Interstate All Battery Center~~ franchised business ranges from ~~approximately \$177,600 to \$338,800. (See Item 7). These figures exclude real estate costs, but include~~ 440,000. This includes \$36,600 to \$137,600 that must be paid to ~~us or our affiliates for the following: the initial license fee of \$37,500 (unless the Center is a Branch Center of an existing Center, as explained in Item 5); the first installment of an Existing Account acquisition payment, which installment is estimated to range from \$0 to \$29,000; the purchase of proprietary software and a hardware package from us costing approximately \$17,600 to \$32,000; the costs of implementing a grand opening marketing campaign, estimated to be between \$10,000 and \$15,000; an opening assistance fee ranging from \$4,000 to \$7,500 and a Center set up fee of \$5,000. (See Item 5);~~ the franchisor or its affiliate(s).

This Disclosure Document summarizes certain portions of your franchise agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale or grant. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact our franchise administration department at 17400 Northwest Freeway, Houston, Texas 77040 and (800) 730-7868.

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

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov 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.

Date of Issuance: July ~~3, 2013~~, 2, 2014

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit A for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

- 1. THE FRANCHISE AGREEMENT PERMITS YOU TO FILE AN ARBITRATION DEMAND OR SUE US ONLY IN DALLAS COUNTY, TEXAS. OUT OF STATE LITIGATION OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT ALSO MAY COST YOU MORE TO SUE US OR ARBITRATE AGAINST US IN TEXAS THAN IN YOUR STATE.**
- 2. THE FRANCHISE AGREEMENT STATES THAT TEXAS LAW GOVERNS YOUR RELATIONSHIP WITH US. TEXAS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AS YOUR LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.**
- ~~3. OUR INDIRECT PARENT COMPANY IS THE OWNER OF THE PRINCIPAL TRADEMARKS THAT YOU WILL USE TO IDENTIFY YOUR FRANCHISE. WE HAVE THE NON-EXCLUSIVE PERPETUAL RIGHT TO USE AND LICENSE OUR FRANCHISEES TO USE THE PRINCIPAL TRADEMARKS.~~**
YOUR MARKETING AREA MAY BE TERMINATED OR REDUCED IF YOU FAIL TO ACHIEVE A CERTAIN LEVEL OF GROSS SALES FOR TWO CONSECUTIVE YEARS. ~~SEE ITEM 12 FOR COMPLETE DETAILS~~
- 4. YOU WILL NOT RECEIVE AN EXCLUSIVE TERRITORY AND MAY FACE COMPETITION FROM US AND OTHER FRANCHISEES.**
- 5. ADDITIONAL CENTERS MAY BE ESTABLISHED IN YOUR MARKETING AREA.**
- 6. FAILURE TO ACHIEVE GROSS SALES EQUAL TO AT LEAST 75% OF THE AVERAGE GROSS SALES FOR ALL CENTERS FOR 2 CONSECUTIVE YEARS MAY RESULT IN THE REDUCTION OF YOUR TERRITORY.**
- 7. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

We may use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral sources represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

State registration effective dates are listed on the following State Registrations Page.

**INTERSTATE BATTERY FRANCHISING & DEVELOPMENT, INC.
STATE REGISTRATIONS PAGE**

This Disclosure Document is registered, on file or exempt from registration in the following states with franchise registration and disclosure laws:

<u>STATE</u>	<u>EFFECTIVE DATE</u>
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Utah	
Virginia	
Washington	
Wisconsin	

If this Disclosure Document is registered with a state that requires additional disclosures, the additional required disclosures for that state are contained in Exhibit I to this Disclosure Document.

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EXHIBITS

- A. State Administrators
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Receipts

ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

Interstate Battery Franchising & Development, Inc. (“IBFAD”) is a Delaware corporation with its principal place of business at 4301 121st Street, Urbandale, Iowa 50323. IBFAD offers the franchise rights described in this Disclosure Document. In this Disclosure Document, “IBFAD,” “we,” “us,” and “our” means Interstate Battery Franchising & Development, Inc. and “you” means the person who is granted a license to operate the franchised business. If the franchisee is a partnership, “you” means the partnership and each of the partners individually. If the franchisee is a corporation or limited liability company, “you” means the corporation or limited liability company and all of its owners.

We incorporated in Delaware on January 18, 2000. We operate only under our corporate name and under the name “Interstate All Battery Center(s).” If we have an agent in your state for service of process, we disclose that agent in Exhibit B to this Disclosure Document.

We are a subsidiary of Retail Acquisition and Development, Inc. (“RAD”), a Delaware corporation engaged in the wholesale and retail distribution of batteries throughout the United States, Puerto Rico, Canada and the Dominican Republic. RAD is a wholly-owned subsidiary of Interstate Battery System International, Inc. (“IBSI”). RAD, like IBFAD, is located at 4301 121st Street, Urbandale, Iowa 50323. IBSI is located at 12770 Merit Drive, Suite 400, Dallas, Texas 75251.

IBSI formed RAD in December 1999 for the purpose of acquiring the assets of John Willemssen Corp. (“JWC”), an Iowa corporation which previously operated the “Battery Patrol” business. The closing of the acquisition occurred on December 21, 1999. JWC was located at 1901 E. University, Des Moines, Iowa 50316. JWC began selling batteries commercially in 1981 and opened its first retail facility in 1985 under the name “Battery Warehouse.” JWC changed the name of the business to “Battery Patrol” in 1994. In 1997, JWC formed Battery Patrol Franchising, LLC, a Minnesota limited liability company, to begin offering franchises. The acquisition by RAD included all of JWC’s ownership interest in Battery Patrol Franchising, LLC. We consider JWC/Battery Patrol to be our predecessor for purposes of this Disclosure Document. Battery Patrol Franchising, LLC is not an active company.

RAD initially operated the acquired retail stores under the name “Battery Patrol,” but subsequently converted its operations to incorporate the “Interstate” name. (The conversion involved changing the signs and inventory mix of Battery Patrol stores to meet the specifications for an Interstate All Battery Center (a “Center”).) RAD subsequently transferred its interests in its retail stores to All Battery Centers, Inc. (“ABC”), a Texas corporation formed by IBSI to operate the company-owned Interstate All Battery Centers. ABC is located at 12770 Merit Drive, Suite 400, Dallas, Texas 75251.

As of April 30, ~~2013,2014~~, ABC and its affiliates operate 28 “company-owned” Centers. IBFAD itself does not operate any stores. IBFAD offered “Interstate All Battery Center” franchises from May 2000 to April 2013, and has licensed distributors to sell certain Basic Products, as defined below. These distributors are referred to as ‘Licensed Dealers.’ As of April 30, ~~2013,2014~~, we have ~~118~~165 Licensed Dealers. Our predecessor, Battery Patrol Franchising, LLC, offered “Battery Patrol” franchises from May 1997 to December 1999. Neither we nor our predecessor nor any of our affiliates have ever offered franchises in any other line of business.

Our ultimate parent company, IBSI, our affiliate, Interstate Batteries, Inc. (“IBI”) (successor to Interstate Battery System of America, Inc. under a restructuring completed effective April 30, 2013), whose principal place of business is 12770 Merit Drive, Suite 400, Dallas, Texas 75251, and their predecessors have been in the business of marketing and distributing automotive, marine, and other batteries under the “Interstate” name and mark for more than 50 years. IBSI markets Interstate Batteries products through a nationwide network of more than 300 independent and affiliated distributors to

service stations, repair shops, auto parts stores, lawn and garden centers, marinas, general retailers, and certain end users throughout the U.S. Until the acquisition of JWC, IBSI did not directly or indirectly own or operate retail stores. Neither IBSI nor any other affiliate of IBSI will be a party to your Interstate All Battery Center Franchise Agreement, and IBSI will not have any obligations to you under that agreement.

The Franchised Business

Interstate All Battery Centers specialize in the sale of batteries to both commercial users and consumers. The Centers may not sell or offer for sale any product that we have not approved. All Centers must carry certain Interstate products, as well as other brands and types of batteries that we specify from time to time. The Centers also offer custom battery pack building, including battery packs for batteries that do not have a standard replacement. A typical Center occupies approximately ~~1,000~~1,200 to 1,800 square feet, and may be either a stand-alone building or a strip shopping center location.

The Centers operate under a distinctive set of specifications, procedures, and business methods (collectively, the “System”). We have described our mandatory and suggested specifications and procedures for the operation of a Center in a set of confidential operating manuals (the “Manuals”). We will loan you one set of the Manuals for your Center. The things that differentiate our Centers include, among other things, the inventory of products; our distinctive exterior and interior design, decor, color scheme, fixtures, and furnishings; and our standards and specifications for operations, equipment, supplies, and marketing. We have the right to change these or any other elements of the System.

All Centers must use prescribed software that records sales, accounts receivable, inventory information, financial information, and new and updated customer profiles (the “Software”). The Software is proprietary, but we do not own it. The computer system that we require for the Centers is highly customized and cannot be modified, efficiently and without degradation to the operation of the Software, to work with your existing computer hardware. Based on our affiliate’s experience with Interstate All Battery Centers and Battery Patrol stores, we have found that it is inefficient and costly to reconfigure the hard drive and other equipment on an individual basis, and to maintain and to support varied systems. Therefore, you must purchase the computer hardware on which the Software is loaded from us. The installation period of the network varies by market. ~~See Item 11 of this Disclosure Document for further details.~~

The Franchise Program

We offer the right to open and operate a Center within a defined geographic area (the “Marketing Area”). We will determine the Marketing Area in consultation with you before you sign the Franchise Agreement. The deadline for opening the Center will be specified in your Franchise Agreement. You may sell and ship products only to customers located within areas specified in the Franchise Agreement. ~~See Item 12 for details.~~—In some markets, we will offer Franchise Agreements only to parties who commit to establish multiple Centers.

Our current form of Interstate All Battery Center Franchise Agreement (the “Franchise Agreement”) is in Exhibit C to this Disclosure Document. You must also sign a Store System/Technology Agreement to obtain the right to use the Software at your Center. Our current form of Store System/Technology Agreement is in Exhibit E to this Disclosure Document.

If you are an existing Interstate Batteries independent distributor under a Confidential Distributor Agreement (“CDA”) with IBI, you will: (i) be required to enter into an addendum to your CDA (sample attached as Exhibit F to this Disclosure Document) that provides, among other things, that you will be in default under the CDA if we terminate the Franchise Agreement on the grounds of any material breach of the Franchise Agreement; (ii) have the option to sign a Letter Agreement in the form attached to the

Franchise Agreement as Appendix D, which provides for a temporarily expanded Marketing Area equal in size to your CDA Territory (further described in Item 12); and (iii) have the option to sign a Distributor Addendum to the Franchise Agreement (the “Distributor Addendum”) simultaneously with the execution of the Franchise Agreement. A copy of the Distributor Addendum is attached to the Franchise Agreement as Appendix E and provides for certain additional rights and obligations as described further in this Disclosure Document. We reserve the right to discontinue offering the Distributor Addendum at our discretion.

In addition to qualified persons without any prior connection with Interstate Batteries, we are also offering our franchise opportunity to qualified Interstate Batteries independent distributors. If you are an Interstate Batteries independent distributor and you become our franchisee, you will have the opportunity to complement your existing Interstate Batteries distribution business with the operation of an Interstate All Battery Center retail store. However, the Marketing Area in which we grant you the right to operate a Center may not be the same as the “Primary Area” defined in your CDA. In most cases, the Marketing Area will be smaller than your Primary Area.

We may also offer to you an addendum to the Franchise Agreement (the “Branch Addendum”) that grants you the right to establish an All Battery Center at an approved location within the Marketing Area (the “Branch Center”). Except as otherwise described in this Disclosure Document, all references to the Center will also refer to the Branch Center.

When you sign your Franchise Agreement, you will need to also sign our Franchise Closing Questionnaire in the form ~~set forth as in~~ Exhibit ~~NM~~.

Market and Competition

The market for retail battery stores is developing. You will compete with a variety of retailers that carry battery products, including other retail chains that specialize in the sale of batteries and general retailers, auto parts stores, lawn and garden centers, home project centers, and marinas that sell batteries as one component of a full product line. You may also compete with battery resellers and wholesalers for commercial accounts. If you are not the authorized Interstate Batteries distributor for your market area, you may also compete with us, our affiliates, and/or IBI’s authorized distributor and dealers for sales to certain customers. In some cases, you may compete directly with other franchisees.

Industry-Specific Laws

You will have to comply with specific federal and state laws and regulations governing the transport, disposal and recycling of batteries. Otherwise, we know of no applicable laws and regulations other than those that apply to retail sales establishments generally, such as workers compensation laws and OSHA regulations. You will have to comply with specific federal and state laws and regulations governing the transport, disposal and recycling of batteries, as well as any programs we implement relating to compliance with such laws and regulations and our own requirements, if any.

In constructing and operating your Center, you must comply with all applicable local, state, and federal laws, including health, sanitation, no smoking, discrimination, employment, and sexual harassment laws. The Americans with Disabilities Act (“ADA”) requires that public accommodations, including retail stores, be readily accessible to disabled persons. Therefore, the ADA may affect your building construction, site elements, entrance ramps, doors, seating, bathrooms, drinking facilities, and the like. You must also obtain real estate permits and licenses and operational licenses. You should consult with your attorney concerning these and other laws and ordinances that may affect your Center.

ITEM 2

BUSINESS EXPERIENCE

~~Vice President and~~ Director: Scott Miller

Mr. Miller has been ~~a Vice President since January 2013 and~~ a Director since November 2011. ~~From January 2013 to May 2014 he served as Vice President.~~ From October 2011 to January 2013, he served as President. ~~Since November 2011, he has~~ He has been President and Chief Executive Officer of IBI since May 2014. He served as IBI's Senior Vice President, Independent Distributor Group ~~from November 2011 to May 2014.~~ Before that, he served as Vice President, Creative Communications and Events from May 2008 to March 2010. ~~He also served as Director, Interstate-Owned Territories from December 2004 to May 2008.~~

President and Director: Michael Tapp

Mr. Tapp has been President since January 2013 and Director since November 2011. From November 2011 to January 2013, he served as Vice President. He joined Interstate in February 2008, first working with Interstate-Owned Territories and later heading up the strategic market intelligence initiative called Dealer Universe. ~~From February 2007 to February 2008, Mr. Tapp served as Director, Critical Services for Fluid Compressor Partners.~~

Vice President and Secretary: Walter C. Holmes, III

Mr. Holmes has been our Vice President since March 2003 and Secretary since August 2001. He has been Senior Vice President of IBI since March 2010. He has also been Chief Legal Officer of IBI since January 2007. From September 2004 to March 2010, he was Vice President of IBI.

Vice President, Finance: Lisa Huntsberry

Ms. Huntsberry has been our Vice President, Finance since January 2004. Since March 2010, she has also served as Chief Financial Officer of IBI. She was Vice President and Corporate Controller of IBI from December 1997 to March 2010.

Director of Finance: Robbie Matamoros

Ms. Matamoros has been our Director of Finance since October 2004. ~~She has also served in various roles with IBI since 1995.~~

Director of ~~Franchise Development: Jim Eades~~ Merchandising: Steve Lang

Mr. ~~Eades has been employed by IBI and IBFAD since July 2008. He has been our Director of Franchise Development since March 2010. Before that time, he served as Director of Operations for IBI from July 2008 to March 2010. From May 1999 to March 2008, he was Regional Vice President of Store Operations for Ross Stores in Pleasanton, California.~~ Lang has served as Director of Merchandising since January 2014. From April 2010 to September 2012, he was Chief Operating Officer for Bailey Banks & Biddle Fine Jewelers in Dallas, Texas. From August 2007 to August 2008, Mr. Lang served as Chief Merchandising Officer for Zale Corporation in Dallas, Texas.

Senior Director of Marketing: Tom Gray

Mr. Gray has served as Senior Director of Marketing for us and IBI since October, 2009. ~~From 2004 to October 2009, he was Senior Director of Marketing for Mission Foods, located in Dallas, Texas.~~

Chris Reynolds, Director of Operations

Mr. Reynolds has served as Director of Operations for IBI and IBFAD since October 2012. From February 2007 to July 2011, he was an area director for Which Wich Superior Sandwiches in Dallas, Texas. ~~From January 2004 to January 2007, he was an owner and operator for Cold Stone Creamery in Dallas, Texas.~~

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

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

ITEM 5

INITIAL FEES

Initial Fees. The initial fee, or license fee, is \$37,500 if you will operate a new Center. The initial fee is not refundable. You must pay the license fee in full when you sign the Franchise Agreement.

Under the Branch Addendum, you must also pay an initial Branch Center license fee of \$22,500 at the time you sign the Branch Addendum. The fee is not refundable.

In rare instances, we may waive all or a portion of the initial fee. In 2012, we did not waive all or any portion of any initial fee.

Site Selection Assistance. Before you select a site for your Center, if we determine it is necessary, our representative will visit you one time in your development area, without charge, to either assist you in finding suitable sites or to evaluate sites that you have identified. If you request additional site visits or assistance, or if we believe additional site visits or assistance is necessary, you must pay us \$500 per additional site visit and pay or reimburse us our out-of-pocket expenses that we incur in providing the assistance, including costs of transportation, lodging, and meals. Once you have an approved site for the Center, you are responsible for site development and build-out.

Pre-Opening Assistance Fee. Once a site is selected, we will provide you pre-opening assistance and advice we deem appropriate, by telephone or remote means, which may include advice regarding site development and build-out, employee staffing, recruiting, selection, and training, purchasing and inventory control, and such general operational matters. Our pre-opening assistance does not include on-site visits to the Center. If you request an on-site visit, or if we determine it is necessary, you must pay us \$500 for each pre-opening assistance visit we make to the Center, plus you must pay or reimburse us our out-of-pocket expenses that we incur in providing the assistance, including costs of transportation, lodging, and meals.

Center Set-up Fee. When you sign your Franchise Agreement, you must pay a center set-up fee of \$5,000 to reimburse us for our costs and expenses associated with our installation, configuration

and/or set-up of your Center's fixtures, graphics, computer system, B2B system, and other elements of the Center as we deem appropriate (the "Set-Up Fee").

Opening Assistance Fee. With respect to your first Center, we will provide on-site opening assistance as we reasonably deem necessary, subject to personnel availability. There is no fee for this assistance, but you must reimburse us for any out-of-pocket expenses that we incur in providing the assistance, including costs of travel, lodging, and meals. We estimate that reimbursable opening assistance costs will range between \$4,000 and \$7,500. We may charge you a deposit not to exceed \$5,000 (which we will apply toward payment of opening assistance costs) no later than 45 days before the Center's scheduled opening date. Whether we collect the deposit or not, the balance of all costs incurred is due 30 days after the Center first opens for business. If you ask us to provide additional assistance for your opening, we may charge you for it, based on our then-current per diem rate plus our related expenses, including costs of travel, lodging, and meals.

With respect to your second or additional Centers, we are not required to provide pre-opening or opening assistance. But if you request our assistance, or if we consider the assistance necessary, we may provide the assistance and charge you a reasonable fee in addition to requiring reimbursement of our expenses.

Our current per diem fee for this assistance is \$250 per day.

We reserve the right to conduct a final inspection of your Center prior to the date that you open your Center for business. If we determine a date for the final inspection or the set-up described above and you wish to reschedule either date, we may condition our approval of your request on your payment of a rescheduling fee of \$500.

Software License. Before opening your Center, you must purchase from us both a site license for use of the Software at the Center and computer hardware configured with the Software. The cost of the site license for the Software is currently \$13,000 per Center for up to six hardware devices at the Center. There is a one-time charge of \$500 for each additional hardware device in excess of six devices. The current cost of the computer hardware ranges from \$4,600 to \$17,000, depending on the options you choose. The Software license fee and cost of the computer hardware are due on installation of the hardware.

Existing Accounts. You must pay to us an Existing Account acquisition payment for the purchase of RAD's existing telesales customer accounts in the Marketing Area specified in your Franchise Agreement, if any (the "Existing Accounts") ~~(see Item 12 for additional details concerning the Marketing Area).~~ The Existing Account acquisition payment is calculated based on RAD's ~~and the existing store's~~ gross profit (gross sales minus cost of goods sold) from those accounts in the twelve full calendar months before you sign the Franchise Agreement. Upon payment ~~of the first installment of the Existing Account acquisition payment,~~ you will be responsible for servicing the existing accounts. The level of revenue generated by such accounts after they are transferred to you will depend in part on how well you maintain and service the accounts. We will advise you of an estimate of the amount of the Existing Account acquisition payment before you sign the Franchise Agreement. The ~~first installment payment,~~ equal to 100% of RAD's ~~and existing store~~ gross profit from the Existing Accounts for the twelve-month period before you sign the Franchise Agreement, is due ~~at the earlier of when you open your Center, when you sign our standard Store System/Technology Agreement, or when you begin commercial sales.~~ On our installation of the Software Point of Sale Computer System at the Center, ~~we.~~ We will calculate the value of the additional telesales accounts actually transferred before the installation. ~~On the first and second anniversaries of the effective date of the Franchise Agreement, you must pay additional installments equal to 67% and 33%, respectively, of the first installment.~~ The Existing Account acquisition payment will vary for each franchise, but the average Existing Account acquisition payment ~~(total for all three installments)~~ for franchises sold during our fiscal year ~~2013~~ 2014 was approximately ~~\$28,100.~~ 28,200. During the term of the Franchise Agreement, we or our designee

will continue conduct telesales to the Existing Accounts on your behalf, subject to certain conditions. See Item 11 under the heading “

~~Ramp Up Marketing” for further details.~~Grand-Opening Campaign. In connection with the opening of your Center, we will consult with you, as we deem advisable, regarding the development of ~~a grand-opening~~an initial 12 month ramp up marketing campaign (the “~~grand-opening~~ramp up marketing campaign”). You will conduct the ~~grand-opening campaign that~~ramp up marketing campaign developed by our endorsed third party Local Store Marketing (“LSM”) agency that you advise and collaborate with and we approve, in connection with the opening of your Center and at your expense (between \$20,000 and \$30,000 or more depending on market size and media availability). We reserve the right to implement the ~~grand-opening~~ramp up marketing campaign on your behalf, ~~or assist with a grand-opening.~~ If necessary, we will bill you for what we feel is appropriate. You must pay the costs of implementing the ~~grand-opening~~ramp up marketing campaign, which will likely range between \$10,000 and \$15,000 for the initial 120 days and between an additional \$10,000 and \$15,000 for the balance of the 12 months (following 245 days) and which may include such items as development of a media plan, marketing materials, media placement costs, ~~market studies~~our endorsed third party LSM agency used in developing the campaign and other related expenses as well as an administrative fee. We will invoice you for the costs of implementing the ~~grand-opening~~ramp up marketing campaign monthly, and you must pay that invoice within fourteen days. The ~~grand-opening~~ramp up marketing campaign expenses will be applied to the first year ~~Local Store Marketing~~LSM expenditures described in Item 6.

We currently offer a program to qualified U.S. veterans, under which we may provide a credit of up to \$5,000 to be applied to the Existing Account acquisition payment or initial inventory purchases. We began offering this program in December 2009.

Except as described above, the fees described in this Item are uniformly imposed, although we reserve the right to negotiate them where circumstances warrant. None of the fees described in this Item is refundable.

ITEM 6

OTHER FEES

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Royalty	<p><u>If you are a franchisee only and not an Interstate Batteries independent distributor, then you must pay 5% of Gross Sales.</u></p> <p>If you are <u>a franchisee and an Interstate Batteries independent distributor</u>, you must pay the greater of 5% of Gross Sales and the minimum annual royalty (\$12,500 for the first Royalty Year, \$17,500 the second Royalty Year, and \$25,000 each subsequent Royalty Year).</p>	<p>5 % of Gross Sales payable monthly on or before the 10th day of each calendar month for the preceding month.</p> <p>At the end of each Royalty Year, if your monthly royalty payments do not equal or exceed the minimum annual royalty, you must pay the shortfall within 30 days of our invoice.</p>	<p>“Gross Sales” means all revenue from the sale of all services and products and all other income of every kind and nature related to the business conducted under the Franchise Agreement, except as specifically excluded in the Franchise Agreement.</p> <p>“Royalty Year” means the 12-month period beginning on the first day of the month in which your Center opens (or, if earlier, the month in which you begin conducting business activities with customers with our approval), and each successive 12-month period.</p> <p>We have the right to designate the manner of payment, including electronic funds transfer. In connection with payment by electronic funds transfer, if you fail to report Gross Sales for a fiscal period, we may transfer an amount calculated in accordance with our estimate of Gross Sales for that period. In addition, we may initiate an immediate transfer of funds if we determine that you have underreported Gross Sales or underpaid any fees. We have the right to download information from your computer system at any time.</p>

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Income and Sales Tax	We may collect from you the cost of all taxes arising from our licensing of intellectual property to you in the state where your Center is located, as well as any assessment on fees and any other income we receive from you.	Payable within thirty days after receipt of invoice, by electronic funds transfer at same time as royalty.	Only imposed if state collects these taxed or assessments.
National Marketing Fund	1.5% of Gross Sales	On or before 10th day of each calendar month for the preceding month's Gross Sales.	
Local Store Marketing ("LSM") Expenditures	<p>You must spend a minimum of \$10,000 in <u>Your LSM expenditures during your first calendar year will be the greater of 4% of your Gross Sales or the approved ramp up marketing campaign amount we set between \$20,000 and \$30,000 (with between \$10,000 and \$15,000 of such amount required to be spent in the first 120 days of Center operations on an approved Center opening campaign. In addition and an additional \$10,000 and \$15,000 during the remaining 245 days of the first calendar year).</u></p> <p><u>After your first calendar year, you must spend a minimum the greater of 4% of total Gross Sales during the first calendar year and the greater of 4% of Gross Sales or \$15,000 (subject to increases due to inflation) during each subsequent calendar year (when combined with cooperative advertising expenses).</u></p>	Same as National Marketing Fund / As Incurred	<p>"Operating Year" means the 12-month period beginning the first day of the first month in which your Center opens for business.</p> <p>You must pay the minimum amounts shown to us on a monthly basis as a deposit. You will pay vendors and suppliers directly and submit receipts to us to obtain reimbursement for approved expenditures.</p> <p>If you fail to submit receipts for approvable expenses in a timely manner, we may use your unreimbursed LSM deposits to conduct LSM activities in your Marketing Area.</p> <p>We have the right to increase the minimum percentage expenditure up to 6.5% of Gross Sales, but we will not increase this fee by more than 1% of Gross Sales in any 1 year.</p> <p>We may allocate some or all of your required LSM expenditures to local and/or regional marketing cooperatives.</p> <p>The cost of implementing the grand opening campaign (see Item 5) does qualify as an LSM expenditure.</p> <p><u>See Item 11 of this disclosure document for details. The cooperative advertising expenses will be no more than your LSM deposits.</u></p>

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Existing Account acquisition payment (2nd and 3rd installments)	Estimated to range from \$0 to \$29,000 – See “Remarks” column	2/3 of the amount described in the “Amounts” column. The payment is due on the first anniversary of the effective date of the Franchise Agreement, and the remaining 1/3 is due on the second anniversary of the effective date of the Franchise Agreement. installation of the Point of Sale Computer System.	The Existing Account acquisition payment is payable in three installments (as further described in Item 5) <u>only payable if you are acquiring existing accounts.</u>
Telesales Fee	We currently collect the following telesales fees: Prospect Model – Less than 500 Accounts (on rolling 12 month basis): <ul style="list-style-type: none"> • \$420/10-hour prospecting per month • \$630/15-hour prospecting per month • \$840/20-hour prospecting per month • \$1,050/25 hour prospecting per month Maintenance Model – More than 500 Accounts (on rolling 12 month basis): <ul style="list-style-type: none"> • 2 hours daily per month: \$1,500 • 4 hours daily per month: \$2,850 • 6 hours daily per month: \$4,100 • 8 hours daily per month: \$5,400 	Payable monthly within 30 days of invoice.	We currently offer two packages of telesales services, <u>but are reviewing potential changes that could modify these two packages and your options in the future.</u> You must select one: Prospect Model – Less than 500 Accounts (on rolling 12 month basis) <ul style="list-style-type: none"> • You have the choice of a monthly a la carte package of 10/15/20/25 hour segments to be used based on your discretion. (For example, 20 hours can be spread equally over four weeks, or used in one week.) Franchisee’s Requirements for Program Participation: <ul style="list-style-type: none"> • Signed 12-month contract for services (opt-in franchisees only) • Monthly sales tactic planning sessions aligning Telesales with your outside B2B sales representative • Telesales will have specific prospecting teams allocated to you as needed. Once the prospect becomes an account, you will manage the relationship. Maintenance Model – More than 500 Accounts (on rolling 12 month basis) <ul style="list-style-type: none"> • You have the choice of program you want to participate in (2/4/6/8 hours of telesales daily) Franchisee’s Requirements for Program Participation: <ul style="list-style-type: none"> • Signed 12-month contract for services (opt-in Franchisees only) • Monthly sales tactic planning sessions aligning Telesales with your outside B2B sales representative
New Software Fee	\$1,000-\$5,000	As Incurred	We may require you to purchase new software at any time. We will give you 90 days’ notice of any required new software, and will not require you to purchase the software until it has been tested and implemented in company-owned Centers, if any such Centers then exist. See Item 11 for details.
Software Installation Fee	Reimbursement for our costs and expenses	As Incurred	This fee applies if we install software (other than our proprietary software) purchased from a vendor other than us. See item 8.
Manual Replacement Fee	\$1,000	As Incurred	We will loan you one copy of the Manuals. We charge this fee for a replacement copy. We may change the amount of this fee.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Interest	The lesser of the maximum rate permitted by law or 1.5% per calendar month, from the date due until paid	Same as Royalty	We have the right to charge interest on overdue amounts that you owe us.
Insurance	Cost of insurance	Before opening	If you fail to obtain and maintain required insurance, we may immediately obtain insurance and you must promptly reimburse us for insurance, including late charges.
Collection Costs and Expenses	Our reasonable costs and expenses	As Incurred	Payable if we have to take action to collect amounts due from you.
Training	\$500 per week per trainee	Before training begins	We do not charge a training fee for regularly scheduled training at our location. We charge the fee if we conduct a special training session for you or your employees. We have the right to change the training fee.
Transfer Fee	\$5,000	Before transfer	
Indemnification	The losses and expenses incurred by IBFAD or our affiliates	As Incurred	You must indemnify IBFAD and our affiliates and hold us harmless from any loss or expense arising out of your activities under the Franchise Agreement. This means that if IBFAD incurs any expenses to handle, settle or dispute any matter relating to your Center (including attorney's fees, court costs, etc.), we may require you to reimburse IBFAD for them.
Audit	Reasonable cost of audit or inspection	As Incurred	Payable if an audit or inspection reveals an understatement of your royalties or Gross Sales of more than 2%.
Computer Software Maintenance Fee	\$1,200 per year (first payment pro-rated) for up to 6 hardware devices; \$500 for each additional hardware device	Payable each January 1 in advance	This fee is payable on January 1 of each year after your Center opens for business. See Item 11 for more details on the hardware and Software.
Help Desk and Hardware "Hot Spare" Maintenance Services	\$160 per month, plus \$25 for each assistance request in excess of 15 during the first 3 months after installation and in excess of 4 per month thereafter	Payable the first day of each month	This fee is payable on the first day of each month after your Center opens for business. See Item 11 for more details on the hardware and Software.
Network Services	\$170 per month, plus a site re-visit fee ranging from \$500-\$900 per visit if we deem a re-visit necessary (excluding equipment costs).	Monthly fee payable the first day of each month	This monthly fee is payable on the first day of each month after your Center opens for business. See Item 11 for more details on the hardware and Software. Typical reasons for re-visits may include: a) installation is re-scheduled due to missed site requirements; b) installation is re-scheduled at S-P's request; c) equipment replacement requiring on-site tech support.
Remodeling	Amount necessary to be in compliance with IBFAD standards for appearance of Center	As Incurred	We can require major remodeling of a Center only once every 5 years.
Store System/Technology Agreement-related Expenses	Reimbursement for costs and expenses	As Incurred	Applies if you close or relocate your Center.
Computer Hardware/Software Transfer Fee	\$500 for Solo Store Type \$750 for Single Store Type	As Incurred	The fee is payable if you acquire the POS hardware & software assets from another franchisee (at a discount from retail).

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
	\$950 for Full Store Type		The equipment will be shipped from the origination location to a central location and then is reconditioned and reconfigured before being shipped to the new destination.
De-Identification Fee	Our out-of-pocket costs associated with de-identifying your Center premises.	As Incurred	We have the right, at our option and at your expense, to enter the Center premises and take all actions necessary to de-identify the premises as an All Battery Center. Such costs incurred due to our de-identification efforts must be paid by you immediately upon notice

We impose and collect all of the fees shown, unless otherwise indicated. All fees are uniformly imposed and non-refundable, although we reserve the right to negotiate fees where circumstances warrant. Franchisor-owned Centers have no voting power on any fees imposed by franchise cooperatives.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE ⁽¹⁾
Real Estate ⁽²⁾	Variable	As agreed on	As incurred	Seller or Landlord
Leasehold Improvements	\$0- to \$67,500 <u>150,000</u>	As agreed on	As incurred	Landlord and vendors
License Fee	\$37,500	Lump Sum	On signing Franchise Agreement	IBFAD
Set-Up Fee	\$5,000	Lump Sum	On signing Franchise Agreement	IBFAD
Training	\$3,000 to \$5,000	Lump Sum	As incurred	We do not charge a training fee for regularly scheduled training at our location. We charge a fee if we conduct a special training session for you or your employees. This estimate includes the costs you will incur for travel, meals, salary and other expenses in connection with training. <u>See Item 6.</u>
Existing Account Acquisition Payment ⁽³⁾	\$0 to \$29,000	3 Lump installments <u>3</u>	Sun The first installment <u>payment</u> is due on installation of the <u>Point of Sale</u> Computer System. The second installment is due 12 months after signing Franchise Agreement. The third installment is due 24 months after signing Franchise Agreement.	IBFAD

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE ⁽¹⁾
Furniture, Fixtures, Signage & Equipment	\$30,000 -to \$41,300 <u>\$55,000</u>	As agreed on	On order	Various Suppliers or Manufacturers
Architectural & Permitting	<u>\$0 to \$10,000</u>	<u>As agreed on</u>	<u>As incurred</u>	<u>Vendors</u>
Delivery Vehicle ⁽⁴⁾	\$4,500 -to \$6,500	As agreed on	Before opening	Various suppliers
Computer Software ⁽⁵⁾	\$13,000 -to \$15,000	Lump Sum	Before opening	IBFAD
Computer Hardware ⁽⁵⁾	\$4,600 -to \$17,000	Lump Sum	On delivery	IBFAD
Initial Inventory ⁽⁶⁾	\$20,000 -to \$35,000 <u>\$30,000</u>	Lump Sum	30 days after opening	Various suppliers
Additional Funds - 3 months ⁽⁷⁾	\$60,000 -to \$80,000	As incurred	Within first 3 months of opening	Various suppliers
TOTAL	\$177,600 -to \$338,800 <u>\$440,000</u> (Does not include purchase of real estate costs or costs to establish a Branch Center.)			

NOTES

- (1) None of the fees payable to us is refundable. Whether any of the other costs in the chart are refundable depends on your arrangement with the supplier.
- (2) If you do not own a suitable retail store site, you will need to lease the land and building for your Center. The cost of leasing a suitable site varies too widely for us to provide a meaningful estimate. Factors that affect the cost include geographic region, size, type of location ~~and~~, condition of the proposed premises, the type of real estate deal, market conditions, material cost and your lease negotiation skills. You should factor in a 15% contingency cushion on any budget. A typical Center occupies between ~~1,000~~ 1,200 square feet and 1,800 square feet that meets minimum site criteria standards. We normally do not recommend purchasing the real estate for your Center, and the ranges do not include estimates for groundup construction or free-standing buildings.
- (3) The amount shown in this chart reflects the ~~first installment of the~~ Existing Account acquisition payment ~~(See Item 5 for further description of the Existing Account acquisition payment).~~ This payment is based on ~~existing store and~~ RAD's profits from the existing telesales customer accounts in your Marketing Area, if any, in the 12 months before ~~you sign your Franchise Agreement (See Item 5 for details)~~ your POS Computer System is installed. The average Existing Account acquisition payment ~~(total for all 3 installments)~~ for franchises sold during our fiscal year ~~2013~~ 2014 was approximately ~~\$28,100~~ \$28,200. If you are an Interstate Batteries independent distributor, you will have the option to sign a Letter Agreement in the form attached to the Franchise Agreement as Appendix D, which provides for a temporarily expanded Marketing Area equal in size to the distributor's CDA Territory, less any existing franchise marketing areas. ~~(further described in Item 12).~~ If you sign the Letter Agreement, then your Existing Account acquisition payment will be increased to include the additional telesales accounts contained in your expanded Marketing Area. These additional telesales amounts are included in figures shown in the table above.
- (4) This estimate reflects the down payment on a delivery vehicle (not the total cost of the vehicle) and the cost of applying ~~deals~~ approved All Battery wrap graphics to the vehicle as required by our standards and specifications.
- (5) Before opening your Center, you must obtain a site license of the Software and purchase the computer hardware on which it is loaded. A copy of our Store System/Technology Agreement is

in Exhibit E to this Disclosure Document. The current site license fee is \$13,000. You also will need to obtain an annual maintenance, support and upgrade package from us. The current annual update and support fee is \$1,200 for the first 6 hardware devices at the center, plus \$500 for each additional hardware device. ~~See Item 11 for details.~~

- (6) If you open a new Center, your initial inventory cost will range from \$20,000 to ~~\$35,000~~30,000.
- (7) This is an estimate of the additional funds you will need during the initial period of operation, which we define as three months from the opening of the Center (the initial period of operation is not a breakeven period—we do not make any representations about your breakeven period, if any). Your costs will include, for example, liability and property insurance, initial payroll costs, utility deposits, accountant and attorney fees, and other miscellaneous expenses. This amount does not include any payments for debt service. All of these figures are estimates; we cannot guarantee that you will not have additional expenses starting the business. The estimates do not include payroll expenses, any compensation that you choose to pay yourself, royalties, advertising fund contributions, local store marketing expenditures, or telesales fees. Your actual costs will depend on many factors. These include how closely you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for our product; the prevailing wage rate; competition; and the sales level reached during the initial period. We relied on the experience of existing company-owned and franchised Centers in making these estimates.

END OF NOTES

You should review these figures carefully with a business advisor before making any decision to enter into a franchise agreement. We do not offer any direct or indirect financing for any of these items.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Authorized Products. As an Interstate All Battery Center franchisee, you may sell only those products and services that we have approved for sale in Interstate All Battery Centers (“Authorized Products”). We have the right to designate specific types and brands of Authorized Products as Basic Products, Additional Products, and Auxiliary Products (all as defined in your Franchise Agreement). We have the right to revise these designations from time to time, and to add products to, and remove products from, the lists of Authorized Products, Basic Products, Additional Products and Auxiliary Products. We have the right to designate products or categories of products as mandatory or optional. You must at all times maintain for the Center an inventory of all mandatory Authorized Products sufficient in our judgment to meet reasonably anticipated customer demand. You may not sell any products or services that we have not designated as Authorized Products. You must purchase your entire inventory of products from sources that we designate or approve in writing. Our affiliate, RAD, is an approved source for certain Authorized Products.

Computer Hardware and Software. You must purchase your computer system from us. The computer system consists of hardware that we have configured with the proprietary Software prescribed for use in Interstate All Battery Centers. You must also sign a network services agreement with a network service provider that we designate, and a payment processing services agreement with a payment processing provider that we designate. The hardware package currently consists of three desktop computers. We will ~~install~~provide the computer hardware (fully configured and loaded with the Software) at your Center. We may require that you purchase new Software at any time, and may charge you a fee for the new Software. You must also pay us a fee for annual Software support and maintenance and a monthly fee for providing help desk services. You must also purchase from a vendor other than us

and install (or, at Franchisor's option, deliver to Franchisor for installation by Franchisor) other software, including, but not limited to, a financial accounting system or a CRM system as we may specify. If we install such software, you must reimburse us for our reasonable costs and expenses. ~~See Items 5, 6 and 11 for further details about the computer hardware package, the Software and applicable fees.~~

Recycling. You must participate in our recycling program described in the Manuals and may not participate in any other recycling program or otherwise purchase, acquire or accept possession of previously used batteries or other recyclable products (including, for example, any product containing lead or a lead-based component) without our prior written consent. We may require you to accept and to recycle batteries which you did not sell. You must pay the expense of operating the recycling program. Revenue you receive from the recycling program will be included in Gross Sales.

Telesales. You must obtain telesales services from us or our designee. ~~See Item 11 under the heading "Marketing" for details.~~ You may not conduct or engage anyone other than us or our designee to conduct telesales.

Other Items. You must purchase all furnishings, fixtures, equipment, signs and supplies for your Center, including non-Interstate products in your inventory, only from distributors or suppliers that we have approved in writing. We may require you to install upgraded or additional equipment to comply with our mandatory specifications, standards, and operating procedures.

Approved Suppliers. You must purchase all products, equipments, signs, fixtures, furnishings, equipment, flooring and counters, interior and exterior signage, graphics, décor, trade dress, store design consulting services and supplies (other than hardware and software as described above) only from distributors and suppliers approved by us. We may approve one or more distributors or other suppliers for their full range of products or only as to certain products and may approve a distributor or other supplier only as to certain products. In determining the number and identity of supplier to the approved, we may consider, among other factors, the ability to obtain favorable pricing and/or advertising support and/or services for any group of Interstate All Battery Centers franchised or operated by us or our affiliates and the number and concentration of existing approved suppliers and distributors. Approval of a distributor or other supplier may be conditioned on requirements relating to the frequency of delivery, reporting capabilities, standards of service, including prompt attention to complaints, and other criteria, and concentration of purchases, as set forth above, and may be temporary pending a further evaluation of such distributor or other supplier by us. We may establish distribution facilities owned and operated by us or an affiliate and designate such facilities as an approved distributor or supplier.

~~Notwithstanding the above, you~~You must purchase all Additional Products that you or your affiliate (as determined by us) sell or deliver into the primary area of responsibility of another distributor of us or our affiliate (or such other geographic area in which we or our affiliates have granted exclusive rights or assigned responsibilities to such distributor(s)), from such other distributor.

Supplier Approval Process. If you propose to purchase any items from a manufacturer, distributor or other supplier that we have not previously approved, you must notify us and submit, at your expense, all information, specifications and samples that we request for testing. We may charge you for the cost of these tests, whether or not we approve the supplier. We will notify you in writing within 60 days as to whether we approve your proposed supplier. In reviewing suppliers, we consider, among other factors, the ability to obtain favorable pricing and/or advertising support and/or services for the Center; the number and concentration of existing approved suppliers and distributors; standards of service such as the frequency of delivery, reporting capabilities, and prompt attention to complaints. We may give temporary approval pending a further evaluation of the supplier. We may periodically require that the testing be performed again at your expense to ensure that the supplier continues to meet our specifications. We have the right to change our specifications and standards for suppliers and distributors at any time, and we may revoke approval of a supplier or distributor that no longer meets them. Any revocation will be provided in writing and we may, but are not obligated to, provide you with

a period of time to exhaust inventory. We will publish any standards and specifications that we develop for franchisees in the Manuals. Any modifications to those standards and specifications will be provided in writing to the suppliers.

No officer of IBFAD owns any interest in any authorized supplier. Our affiliate, RAD, is an approved source for certain Authorized Products, but is not the only source for those Products.

Leases. If you intend to lease the site for your Center, you must submit the proposed lease to us for approval before you sign it. ~~See Item 11 under the heading "Site Selection" for more details.~~

Insurance. You must purchase and maintain in force, at your expense, throughout the term of the Franchise Agreement insurance policies of the kinds, and in the amounts, specified by us in the Manuals from time to time, including, the following insurance, unless and to the extent that the Manuals provide for additional insurance or insurance in greater amounts:

(1) General liability insurance, in occurrence form, including Bodily Injury, Contractual Liability, Products & Completed Operations, Broad Form Property Damage, Personal and Advertising Injury, with limits not less than \$1,000,000 Per occurrence and \$2,000,000 General Aggregate.

(2) Property insurance for All Risks of Direct Physical Loss (Special Form) covering the building (where applicable), improvements and betterments, personal property and inventory at the store premises on a replacement cost basis. Policy must not exclude theft, vandalism or malicious mischief.

(3) Business Interruption insurance to cover loss of revenues and extra expense, including any insurable ongoing amounts due and owing to IBFAD under the Franchise Agreement or any other agreement between you and IBFAD (where insurable). Coverage must be no less than \$30,000 per month for a minimum of three months.

(4) Auto Liability Insurance in an amount not less than \$1,000,000 combined single limit for bodily injury and property damage, per occurrence, for all owned, hired and nonowned vehicles.

(5) Workers Compensation insurance with statutory limits and Employers Liability insurance of not less than \$1,000,000 per occurrence.

(6) Comprehensive Crime Insurance or Fidelity Bond insuring against dishonest or fraudulent acts committed by any employees or agents with limits no less than \$15,000 per occurrence.

We, and any other entity with an insurable interest that we designate, must be an additional insured in such policies to the extent each has an insurable interest. All insurance policies must be written by an insurance company or companies satisfactory to us, in compliance with the standards, specifications, coverages and limits ~~set forth~~ in the Manuals or otherwise provided to you in writing. We may reasonably increase the minimum coverage required and require different or additional kinds of insurance to reflect inflation, changes in standards of liability, higher damage awards or other relevant changes in circumstances.

* * *

We estimate that about 95% of your total purchases and leases in establishing the Center and 90 to 95% of your total purchases and leases in operating the Center will be subject to the restrictions described above.

We have not negotiated purchasing arrangements with suppliers for the benefit of franchisees, and there are no purchasing cooperatives or distribution cooperatives in our System. We do not provide material benefits to franchisees based on their use of designated or approved suppliers. Neither RAD nor any other designated supplier will make payments to us because of transactions with franchisees. IBFAD may, under appropriate circumstances, receive fees, commissions, field-of-use license royalties, or other consideration from approved suppliers based on their sales to franchisees, which will either be received directly by the National Marketing Fund described in Item 11 or be contributed by us to that Fund. When RAD receives payments from suppliers based upon those suppliers' sales to IBFAD's franchisees, it retains those payments and does not contribute those payments to the Fund.

In the fiscal year ending April 30, ~~2013,2014~~, RAD received \$~~59,876,64,751~~ in such payments. Based on existing arrangements, RAD estimates that it will receive \$~~56,000,60,000~~ in such payments during the fiscal year ending April 30, ~~2014,2015~~.

We will receive revenue from you as a result of selling you computer hardware and licensing the Software. During the fiscal year ending April 30, ~~2013,2014~~, we recorded revenue of \$~~638,808,1,418,065~~ from franchisees for computer hardware and Software licensing, which represented approximately ~~40,18~~% of our total revenue. RAD will derive revenue from you as a result of providing telesales services and selling Interstate Batteries products and related products to you directly or through authorized distributors. During the fiscal year ending April 30, ~~2013,2014~~, RAD received approximately \$~~1,957,600,2,073,100~~ from providing telesales services and it received approximately \$~~29,826,000,33,188,200~~ from the sale of Interstate All Battery Center products and related products to independent franchisees. This represents approximately 2% and ~~33,28~~% of RAD's total revenue of \$~~89,719,871,117,595,885~~ for the fiscal year ending April 30, ~~2013,2014~~. The total revenue received by IBFAD for the fiscal year ending April 30, 2014, was \$7,921,771.

ITEM 9

FRANCHISEE'S OBLIGATIONS

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

OBLIGATION	SECTION IN AGREEMENT	ITEM IN DISCLOSURE DOCUMENT
a. Site selection and acquisition/lease	Franchise Agreement Sections 3 & 7	Item 11
b. Pre-opening purchases/leases	Franchise Agreement Section 16	Items 5 & 8
c. Site development and other pre-opening requirements	Franchise Agreement Sections 8 & 9	Items 7 & 11
d. Initial and ongoing training	Franchise Agreement Section 14	Item 11
e. Opening	Franchise Agreement Section 9	Item 11
f. Fees	Franchise Agreement Sections 5 & 11; Store System/Technology Agreement Sections 2 & 7	Items 5 & 6
g. Compliance with standards and policies/Operating Manual	Franchise Agreement Sections 12, 16 & 17.C	Items 8 & 11
h. Trademarks and proprietary information	Franchise Agreement Sections 16.K, 18 & 23.B; Store System/Technology Agreement Section 9	Items 13 & 14
i. Restrictions on products/services offered	Franchise Agreement Section 16	Item 16

OBLIGATION	SECTION IN AGREEMENT	ITEM IN DISCLOSURE DOCUMENT
j. Warranty and customer service requirements	Franchise Agreement Sections 16 & 17	Item 11
k. Territorial development and sales quotas	Franchise Agreement Section 2	Item 12
l. Ongoing product/service purchases	Franchise Agreement Section 16; Store System/Technology Agreement Sections 5, 6 & 7	Item 8
m. Maintenance, appearance and remodeling requirements	Franchise Agreement Sections 13.B & 16	Items 6 & 11
n. Insurance	Franchise Agreement Section 19	Item 8
o. Advertising	Franchise Agreement Section 11	Items 6 & 11
p. Indemnification	Franchise Agreement Section 28	Item 6
q. Owner's participation/management/staffing	Franchise Agreement Sections 16 & 20.E	Item 15
r. Records/reports	Franchise Agreement Section 6	Item 6
s. Inspections/audits	Franchise Agreement Sections 6.E & 8	Items 6 & 11
t. Transfer	Franchise Agreement Sections 21 & 22; Store System/Technology Agreement Section 14	Item 17
u. Renewal	Franchise Agreement Section 4.B	Item 17
v. Post-termination obligations	Franchise Agreement Sections 23 & 25; Store System/Technology Agreement Section 12.B.	Item 17
w. Non-competition covenants	Franchise Agreement Sections 23 & 25	Item 17
x. Dispute resolution	Franchise Agreement Sections 35 to 40	Item 17

ITEM 10

FINANCING

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

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, we are not required to provide you with any assistance.

Our Obligations Before Opening

Before you open your Center, we will:

1. Determine, in consultation with you, your Marketing Area. (Franchise Agreement, Sections 1 and 2 and Appendix A.)
2. Provide assistance in selecting the site for your Center. (Franchise Agreement, Section 3.B. and 3.D.).

3. Provide a management training program for you (or your Operating Principal, if applicable) and your Center managers. (Franchise Agreement, Section 14). This training program is described later in this Item.
4. Provide consultation and advice, as we deem appropriate, with regard to construction or remodeling of the Center, fixtures and equipment plans and specifications, employee selection and training, purchasing and inventory control. (Franchise Agreement, Sections 8, 10 and 15).
5. Provide you with a list of the Existing Accounts, if any, provided that you have first paid the ~~initial installment of the~~ Existing Account acquisition payment ~~(see Item 5 for details)~~. (Franchise Agreement, Section 15.D.). This customer list, including any additions or changes that you make, remains solely our property. Except as provided in this paragraph, our affiliates have no obligation to share their customer lists.
6. Loan you a copy of all operating Manuals upon successful completion of the management training program and the payment of all required fees. We will provide any updates to the Manuals electronically. The Manuals are confidential and they remain solely our property. (Franchise Agreement, Section 12). We charge a fee for a replacement copy of the Manuals; the current fee is \$1,000. A copy of the Table of Contents of the Manual is attached as Exhibit M.
7. Provide you with such assistance as we deem necessary in connection with the installation, configuration and/or set-up of your Center's fixtures, graphics, computer system and other elements. (Franchise Agreement, Section 15.C.)
8. Sell you the computer hardware and a site license for the Software that we require for Interstate All Battery Centers. (Franchise Agreement, Section 16.D.; Store System/Technology Agreement).

Our Obligations After Opening

After you open your Center, we will:

1. Consult with you as we deem advisable regarding the development of ~~a grand opening~~the ramp up marketing campaign. At our option, we may conduct the ~~grand opening~~ramp up marketing campaign on your behalf and at your expense, as described in ~~Item 5~~Items 5 and 11. (Franchise Agreement, Section 11.E.)
2. Conduct telesales (or have our designee do so) on your behalf to customers and potential customers in your Marketing Area, on the terms specified in the Franchise Agreement (including payment of the telesales fee). (Franchise Agreement, Section 10.) We have the right to discontinue telesales; if we do so, you will no longer pay the telesales fee. See below under the heading "Marketing" for details.
3. Provide advice and bulletins relating to various aspects of the System and promptly advise you of new developments, modifications or improvements in the System. (Franchise Agreement, Section 15.E.)
4. Offer additional mandatory or optional training programs as we deem appropriate, if any. (Franchise Agreement, Section 14.B.) We may charge a fee for such training programs.
5. Periodically inspect your Center and its operations. (Franchise Agreement, Section 15.F.)
6. Designate one or more sources for approved products and make arrangements for them to supply you. (Franchise Agreement, Section 16.D.)

We may delegate to others the performance of any duty or obligation we have under the Franchise Agreement.

Hardware and Software

You must obtain a site license for the Software for your Center. Our current form of Store System/Technology Agreement is in Exhibit E to this Disclosure Document. The Software records sales, accounts receivable, and inventory information, financial information, and new and updated customer profiles. You must also enter into a Participation Agreement which permits you to utilize client-access licenses that are needed for your registers to communicate with our servers. The current form of Participation Agreement is also in Exhibit E to this Disclosure Document. The cost of these client access licenses is included in the fees described in Item 6. We have the right to independently access and download information from your Center; typically we do so nightly.

The computer system is highly customized and cannot be modified, efficiently and without degradation to the operation of the Software, to work with your existing computer hardware. Based on our affiliate's experience with its Centers and Battery Patrol stores, we have found that it is inefficient and costly to reconfigure the hard drive and other equipment on an individual basis, and to maintain and to support varied systems. Therefore, you must purchase the computer hardware on which the Software is loaded from us. The computer hardware package currently includes a network of three retail-hardened POS registers and peripheral devices. The brand and model of the computer hardware and peripherals varies depending on the specific hardware package available, as determined by IBFAD. The cost of purchasing the hardware ranges from approximately \$4,600 to \$17,000. The cost of purchasing the software ranges from \$13,000 to \$15,000. The supplier of the Software is Micros-Retail located at 30500 Bruce Industrial Parkway, Solon, Ohio 44139. The supplier of the software described in the Participation Agreement is Microsoft Corporation located at One Microsoft Way, Redmond, Washington 98052. The supplier of the hardware and peripherals is CompuCom Systems, Inc. located at 7171 Forest Lane, Dallas, Texas 75230.

We may require you to purchase a license for new, different or upgraded Software at any time. You must pay the license fee set by us for the new, different or upgraded Software. We will give you 90 days' notice before any required purchase of a license for new, different or upgraded Software, and will not require you to purchase such a license or implement the change until the new, different or upgraded Software has been tested and implemented in company-owned Centers, if there are then any such Centers.

You also must pay us an annual fee for maintenance, support and upgrades to the Software. The current annual Software update and support fee is \$1,200 for up to six hardware devices and \$500 for each additional hardware device (first payment pro-rated based on signing date). This fee is payable on January 1 of each year after your Center opens for business. We may offer additional services beyond those included with the update and support package, on a per-hour basis.

You must also pay us a monthly fee for help desk services and ongoing "hot spare" maintenance of the hardware. The current monthly cost for these services is \$160, plus \$25 for each assistance request in excess of 15 during the first three months after installation and in excess of four each month thereafter.

In addition to purchasing the hardware, licensing the Software, and paying for help desk/hardware maintenance services, you must purchase dedicated internet network and power lines, and other computer-related accessory or peripheral equipment that we specify. To ensure security of POS transaction information and host software connectivity, we will specify the internet network solution you must use. The current monthly cost for this connectivity and monitoring service is \$170. We may increase this cost as network availability and service costs change. In addition to the above, you must purchase from a vendor other than us and install (or, at our option, deliver to us for our installation) other software as we may designate occasionally in the Manuals or otherwise in writing. If we install such

software, you must reimburse us for our costs and expenses. In this regard, you are responsible for purchasing and installing a financial accounting system that is current with industry standards.

~~See Items 5, 6 and 8 for additional information regarding hardware and Software.~~

We require you to install and maintain a hardware and software firewall device on your point-of-sale network that follows closely to the Payment Card Industry (PCI) DSS merchant requirements as stated on the <http://www.pcisecuritystandards.org>. The point-of-sale network must be segmented off of other internal venue networks. We may suggest third party PCI compliance vendors to you, but you are responsible for your own PCI compliance at your Center. You must perform an annual PCI network scan and audit, and pass the audit to maintain compliance with our minimum PCI requirements.

Marketing

IBFAD may conduct advertising and promotional activities for Interstate All Battery Centers using direct mail, print, radio, television, digital or other means. IBFAD's advertising and promotional activities may be local, regional or national in scope.

We may make available marketing materials for purchase by franchisees. You may also develop, or purchase from any source, materials to market and promote your franchised business, including advertising, for your own local use, but ~~we~~All Battery Center Marketing must approve these materials at least 10 days before their first use. All marketing and promotional materials must comply with federal and local laws and regulations and any guidelines we promulgate. Your marketing materials may not contain any statement or material which is (1) in bad taste or offensive to the public or to any group of persons; (2) defamatory of any person or an attack on any competitor; (3) an infringement upon any other person's trade name, trademark, service mark or identification; and (4) inconsistent with the public image of the System.

We reserve the right to limit the media and geographic area in which you advertise. For example, you may not advertise in any advertising medium whose audience is located principally outside the border of your Marketing Area or where the intent or reasonably likely effect is to solicit customers outside the border of your Marketing Area. ~~See Item 16 for details. You also may not use a Web site to advertise your Center.~~We do not authorize your use of Interstate Batteries or Interstate All Battery Center trademarks (including logos, brand names and slogans) in establishing your own social media accounts. These accounts include, but are not limited to, those on Facebook, Twitter, LinkedIn, and Pinterest. You are encouraged to take advantage of the Interstate Batteries brand Facebook page and request items to be posted on your geo-targeted Facebook page within the corporate Facebook site, although you may list your Center on communal Web site directories (such as on-line Yellow or White pages or those for malls, cities or regions). Any such listings must be approved by us in writing before they are submitted.

Grand Opening Ramp Up Marketing Campaign. We or our designee will consult with you, as we deem advisable, regarding the development of a ~~grand opening marketing campaign. The estimated cost of this campaign is \$10,000 to \$15,000.~~grand opening ramp up marketing campaign. You will conduct the ramp up marketing campaign developed by Interstate's endorsed third party LSM agency that you advise and collaborate with and we approve, in connection with the opening of your Center and at your expense (between \$20,000 and \$30,000 or more depending on market size and media availability). We reserve the right to implement the ramp up marketing campaign on your behalf. If necessary, we will bill you for what we feel is appropriate. You must pay the costs of implementing the ramp up marketing campaign, which will likely range between \$10,000 and \$15,000 for the initial 120 days and between an additional \$10,000 and \$15,000 for the balance of the 12 months (following 245 days) and which may include such items as development of a media plan, marketing materials, media placement costs, Interstate endorsed third party LSM agency used in developing the campaign and other related expenses as well as an administrative fee. We will invoice you for the costs of implementing the ramp up

marketing campaign monthly, and you must pay that invoice within fourteen days. The ramp up marketing campaign expenses will be applied to the first year ~~Local Store Marketing~~LSM expenditures described in Item 6. ~~(See Items 5 and 6.)~~

Telesales. We or our designee will conduct the required telesales on your behalf to customers and potential customers whose billing addresses are in your Marketing Area, on the following terms:

1. You must have a dedicated sales person actively marketing the franchised business in your Marketing Area, have paid ~~any installments of~~ the Existing Account acquisition payment ~~then due~~, and be eligible to receive the list of Existing Accounts.
2. You must not be in material default under any agreement with us or our affiliates.
3. You must be current on all payments to us and our affiliates.
4. We will offer products and services at the prices and on the terms you establish. You must keep us informed of your prices and terms. If we obtain orders for you, you must fulfill them within the time promised to the customer.
5. You must pay us the telesales fee described in Item 6.

We have the right to discontinue telesales and/or change the rate of the telesales fee upon 30 days' written notice to you. If we discontinue telesales, you will no longer be required to pay the telesales fee.

The National Marketing Fund. In addition to your local expenditures, you must make monthly contributions to a marketing fund that we have established and administer for Interstate All Battery Centers (the "Fund"). The required contribution is 1.5% of Gross Sales. You make these contributions at the same time and in the same manner as the royalty fee.

IBFAD directs all advertising, marketing and public relations programs and activities financed by the Fund, with sole discretion over the creative concepts, materials, tools and endorsements used in those programs and activities, and the geographic, market and media placement and allocation of advertising and marketing materials. We may use monies from the Fund to pay the costs of preparing and producing advertising and marketing materials (including digital, video, audiobroadcast and writtenprinted advertising materials), employing advertising agencies, ~~sponsorship of sporting, charitable or similar sponsorships~~ events, administering regional and multi-regional advertising programs, ~~purchasing direct mail, product and other media advertising~~, and supporting public relations, market research, test programs and initiatives and other advertising, promotional and marketing activities.

You must participate in all advertising, marketing, promotions, research and public relations programs instituted by the Fund. You may have to pay the Fund's cost for point-of-sale and other marketing, advertising and promotional materials, including product, plus any related shipping and handling charges.

We have the right to reimbursement from the Fund for expenses directly related to maintaining and administering the Fund and the Fund's marketing programs. We may hire employees, either full-time or part-time, for the administration of the Fund. We have the right to incorporate the Fund or to operate it through a separate entity.

We separately account for the Fund, but we do not segregate the monies of the Fund from our other monies. We may spend in any fiscal year an amount greater or less than the aggregate contributions to the Fund during that year or cause the Fund to invest any surplus for future use by the Fund. We have no obligation to expend any portion of the Fund in the geographic area in which your

Center is located. We do not use Fund monies to market franchises. The Fund is not audited, but we prepare annually a statement of monies collected and costs incurred by the Fund, which we will furnish to you at your request. Any funds not expended in a given year will be held over for use in the following years' advertising expenses. For the fiscal year ending April 30, ~~2013, 50~~2014, 71% of the Fund expenditures were used for ~~production of promotional and direct mail~~digital and broadcast media, search engine optimization and listing/digital services 19% of the Fund expenditures were used for in store creative work and materials, ~~14~~ production, 6% of the Fund expenditures were used for research and ~~36% of the Fund expenditures were used for creative and pre-production work~~development and 4% were used for franchisee services technology platforms. No portion of advertising funds is used to solicit new franchise sales.

Local Store Marketing. You must spend specified amounts on Local Store Marketing ("LSM")-~~each year for your Center. You must spend at least \$10,000 for your Center each year. During your first~~ calendar year, your LSM requirement will be the greater of 4% of your Gross Sales or the amount of your required ramp up marketing campaign, which we will set as between \$10,000 to \$15,000 in the first 120 days of Center operations ~~on an approved Center opening campaign. In addition, you must spend 4% of~~ Gross Sales during the first calendar year and the greater of 4% of gross sales or \$15,000 for each ~~subsequent year the Center is in operation,~~ and a total of \$20,000 to \$30,000 during your first calendar year. After your first calendar year, your LSM requirement will be the greater of 4% of Gross Sales or \$15,000, adjusted annually according to the CPI using the third year of operations as the base year. We may increase the minimum LSM to up to 6.5% of gross sales. Although in-store (point of purchase) signage is often used in support of advertising, the cost of such signage does not qualify as an LSM expenditure.

By the 10th day of each month, you must pay us a monthly LSM deposit of 4% of your gross sales for the preceding month or one-twelfth of the annual minimum expenditure for that year, whichever is greater. At the same time, you must also submit to us receipts for your LSM expenditures for the preceding month. We will then reimburse your approved LSM expenditures, up to the amount of your then-available LSM deposit balance. After reimbursement of all approved LSM expenditures you have submitted by the 10th day of the second month following any calendar quarter, if there are any remaining LSM deposits paid with respect to the most recent completed calendar quarter, we may spend those deposits for LSM activities in your Marketing Area.

Local and Regional Marketing Cooperatives. We may establish regional and/or local marketing cooperatives in your area. If such marketing cooperatives are established in your area, you must participate. If a regional and/or local cooperative is established in your area, we will designate part or all of your LSM deposits to go to the cooperative(s). The cooperative advertising fund will not exceed your LSM deposits. All franchisees will contribute at the same rate. We have the right to change this allocation. Any LSM deposits which we do not allocate to the cooperative(s) will be available for reimbursement of your LSM expenditures as described above.

Any Centers that we or our affiliates own will contribute to the Fund and to regional and local marketing cooperatives, to the extent they exist in their respective markets, on the same basis as franchisees. Vendors or suppliers also may contribute to the Fund as well as to regional and local marketing cooperatives.

Franchisee input. We do not have a formal franchisee council that advises us on advertising policies, but we gather feedback on advertising informally from franchisees. However, we do have a T.E.A.M. (T.E.A.M. is derived from "Together Everyone Achieves More") of franchisees that serves as an additional connection point between us and franchisees on various topics, including marketing. The T.E.A.M. consists of 8 franchisee members and 5 company personnel, appointed by us. The franchisee T.E.A.M. members consist of (a) 4 members from stores that are 0 to 12 months old; (b) 2 members from stores that are 13 to 24 months old; and (c) 4 members from stores that are 25 months or older. The T.E.A.M. operates from by-laws that we may amend. We have the right to dissolve the T.E.A.M.

Site Selection

We do not select the site for your Center. You, along with an approved broker, select the site for your Center in accordance with all requirements ~~set forth~~ in the site criteria and subject to our acceptance. We will provide you with our site selection guidelines and such consultation with you with respect to specific sites as we deem advisable. We generally do not own the premises or lease it to you. We may also conduct on-site evaluations of proposed sites. It typically takes about 5 weeks from the time you sign the Franchise Agreement to select a site. You must complete a site application package (the current form of which ~~is included in the Manuals~~will be provided to you) for each proposed site, providing information relating to the demographic characteristics, traffic patterns, parking, neighborhood, competition from other businesses in the area, the nature of other businesses in proximity to the site and other commercial characteristics (including the purchase price, rental obligations and other lease terms for the proposed site) and the size, appearance and other physical characteristics of the proposed site. We may conduct an on-site review of any proposed location if we deem it appropriate.

We will advise you in writing, within 30 days of receipt of a completed site application, whether we have approved a particular site. If we don't respond to a completed real estate package within 30 days, you must treat the site as unaccepted. Failure to obtain our acceptance of a site by the site acceptance deadline specified in the Franchise Agreement, or failure of you and IBFAD to agree on a site, constitutes a material, non-curable breach of the Franchise Agreement, permitting us to terminate the Agreement immediately upon written notice. Although we accept the site and plans for construction of the Center, we assume no liability or obligation with respect to the design, construction or profitability of your Center. Our site acceptance is solely for the purpose of ensuring compliance with the terms and conditions of the Franchise Agreement.

If you will lease the Center, you must submit the proposed lease to IBFAD for approval. IBFAD may condition our decision to approve or reject the lease on any factors we deem relevant, including but not limited to the following:

1. The landlord must consent to your use of our trademarks and required signs. (Franchise Agreement, Section 7.A.1.)
2. The landlord must provide us with copies of all amendments and assignments and of all letters and notices sent to you. (Franchise Agreement, Section 7.A.2.)
3. The lease must permit us to enter the premises to make modifications necessary to protect the trademarks or the System or to cure any default under the applicable Franchise Agreement or lease. (Franchise Agreement, Section 7.A.3.)
4. The landlord must permit you to assign the lease to us or our designee without payment of any assignment fee. (Franchise Agreement, Section 7.A.4.)
5. We must have the option, but not the obligation, to assume all of your rights under the lease from the date you take possession of the leased premises without payment of an assignment fee. (Franchise Agreement, Section 7.A.5.)
6. The landlord agrees that prior to any assignment of the lease to us or our designee, you will be solely responsible for all obligations under the lease. (Franchise Agreement, Section 7.A.6.)
7. Following the expiration or termination of the Franchise Agreement, you must have the right to make alterations and modifications to the leased premises to clearly distinguish to the public the leased premises from an Interstate All Battery Center. (Franchise Agreement, Section 7.A.7.)

8. The landlord must agree not to amend or otherwise modify the lease in any manner that would affect any of the foregoing requirements without our prior written consent. (Franchise Agreement, Section 7.A.8.)
9. If the site is in a shopping center, the landlord must agree not to lease space to or permit the operation of any business whose primary business is the sale of batteries. IBFAD must be identified as a third-party beneficiary of the landlord's covenant. (Franchise Agreement, Section 7.A.9.).
10. [Landlord must permit battery service/installation performed in the parking lot. \(Franchise Agreement, Section 7.A.10.\)](#)

Before opening, you must complete all improvements to the Branch Center premises in accordance with our approved plans and specifications. You must obtain our prior written approval of the signage, décor, dimensions and interior layout of the Branch Center premises. In no event may the establishment of the Branch Center at any site violate any agreement to which we are or become a party. The lease for the Branch Center must comply in all respects with the Franchise Agreement. In no event may you acquire the Branch Center site or open the Branch Center without our express written authorization. The location of the Branch Center cannot be changed without our prior written approval.

Time Between Signing Of The Franchise Agreement And Opening

You must obtain our written acceptance of your site within 6 months after you sign the Franchise Agreement, and must open your Center within 9 months after you sign the Franchise Agreement. If you sign one or two additional Franchise Agreements at the time you sign the Franchise Agreement, you must open your second Center within 18 months after you sign the Franchise Agreement, and if applicable, you must open your third center within 27 months after you sign the Franchise Agreement. For additional Centers, the opening dates may vary and will be determined by us.

[The typical length of time between the effective date of the Franchise Agreement and the time you open your Center for business is approximately 6 months.](#) Factors that may affect the length of time required to open include your ability to: locate and obtain a satisfactory site and adequate financing; complete necessary construction or remodeling without significant delay; comply with local ordinance or building code requirements; and obtain and install all necessary equipment, fixtures and signs.

You may engage in commercial sales (including telesales) before opening your Center if you meet our requirements, including (a) you and your General Manager and/or dedicated salesperson have successfully completed our management training program, (b) you have installed all computer hardware and software in accordance with our requirements, (c) you have provided us copies of all insurance policies or other evidence of insurance coverage and payment of premiums as we may request, and (d) you have paid the Telesales Fee. If you sign one or two additional Franchise Agreements at the time you sign the Franchise Agreement, you may engage in commercial sales (including telesales) before opening your second (or third, if applicable) Center, provided that you satisfy the conditions ~~set forth~~ in (a) through (c) in this paragraph and have paid the telesales fee under at least one of the Franchise Agreements.

Before opening your Center, you must obtain our written approval of construction or remodeling plans (Franchise Agreement, Section 8.A.) We also reserve the right to conduct a final inspection after the completion of construction or remodeling to determine whether you have complied with the Franchise Agreement. (Franchise Agreement, Section 8.E.) You may not open the Center for business without our written authorization.

Although we are not obligated to do so under the Franchise Agreement, we have initiated a program (the "Opening Incentive Program") under which any Center that meets the retail center

standards outlined above and is opened before the Center's opening deadline described above will be credited 5% of gross revenues for any retail revenue generated from the retail center until the earlier of the opening deadline or the date the Center has received 9 months' of gross revenues credits under the Opening Incentive Program. We may modify, amend or discontinue the Opening Incentive Program on notice.

Training Program

We provide an initial management training program. Prior to opening a store location, we require a minimum of ~~two~~one approved store operators, including you (or if you are owned by more than ~~one~~ one individual operator (which may be you, your Operating Principal), or your designated general manager ~~and any other person we designate~~) to attend and successfully complete the Five Star training through All Battery University to our satisfaction. If a franchisee intends to set-up commercial selling prior to opening a store location, then the person conducting that business must attend the All Battery University program and achieve Five Star Certification.

Post opening, the franchisee must maintain a minimum of ~~two~~one Five Star Certified store operators as detailed in the Five Star Certification standards guidelines.

The Five Star Certification guidelines are updated occasionally as the business dictates.

We instruct trainees in the full range of functions involved in the operation of an Interstate All Battery Center, including operation of all equipment and personnel, public relations and accounting techniques. The training course lasts 43 weeks and generally takes place primarily at our corporate location in Dallas, Texas. We do not charge a training fee for regularly scheduled management training at our location for ~~you, your Operating Principal (see Item 15), or your general manager and commercial sales representative~~ your first store operator. We may charge a training fee for each additional employee. You must pay all travel, living and other expenses incurred by your trainees. If we schedule a special training session at your request, we will charge you a training fee. We may change the amount of the training fee, which is currently \$500 per week per trainee.

We do not currently specify additional training requirements, but we reserve the right to require you and any of your employees that we designate to complete additional training (including courses, seminars, meetings, conferences, conventions or other training) in the future. We may charge a fee for any mandatory or optional additional training. You must pay all travel, living and other expenses incurred by your trainees or our training personnel that travel to your location or place of business. We are developing on-line modules for training in the on-going operation of Centers, which we expect to phase in over the next 12 to 24 months. We expect that such training will be mandatory and can be completed without the need to travel from your Center. We also require that you or your approved store operator attend our annual or other periodic conventions at your own expense, including travel, lodging and any convention fees.

As part of your initial or other training, you, your managers and other personnel may have to participate in classes and any refresher courses relating to any proprietary or other recycling programs we may initiate in the future.

The following chart summarizes our current initial training program, which lasts ~~27~~21 days. We normally schedule training sessions approximately quarterly. The course content and hours of training may be adjusted to accommodate the participant based on the learner's knowledge level or past experience. This decision is based solely upon the observation of the All Battery University training instructors.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Welcome / Introduction & Orientation – Interstate Philosophy	3	0	Dallas, Texas, All Battery University
Tour of Home Office	1	0	Dallas, Texas, All Battery University
How to be a Franchisee; An Inter-dependent Relationship	4	0	Dallas, Texas, All Battery University
Computer I – Operations Computer II – Accounting Computer III – P.O. System	20	0	Dallas, Texas, All Battery University
In-Store on the job training (Focus – X STORE and Custom Assembly)	0	8	Dallas, Texas, All Battery University
In-Store on the job training (Focus – X STORE and Watch Battery Installs)	0	11	Dallas, Texas, All Battery University
Battery Basics, Chemistries and Product Training I & II	16	0	Dallas, Texas, All Battery University
Custom Assembly I – Pack Assembly, Market Pricing and Design	16	0	Dallas, Texas, All Battery University
In-Store on the job training (Focus – X STORE and Custom Assembly)	0	8	Dallas, Texas, All Battery University
Optional In-Store on the job training (Focus – Custom Assembly, X STORE and Watch Battery Installs)	0	11	Dallas, Texas, All Battery University
Customer Service – Sales Floor Training	8	0	Dallas, Texas, All Battery University
B2B Training	8	0	Dallas, Texas, All Battery University
Safety / OSHA Training	2	0	Dallas, Texas, All Battery University
B2B Training – The Art of Making Sales Calls	4	0	Dallas, Texas, All Battery University
Marketing Review	2	0	Dallas, Texas, All Battery University
PowerCare Training	2	0	Dallas, Texas, All Battery University
Human Resources	2	0	Dallas, Texas, All Battery University
All Battery Intercom, Dashboard & Fairway	2	0	Dallas, Texas, All Battery University
Telesales Training	2	0	Dallas, Texas, All Battery University
Business Consultant Opening Review	2	0	Dallas, Texas, All Battery University
Training Program Certification	4	0	Dallas, Texas, All Battery University
In-Store on the job training (Focus – Daily Duties)	0	18	Company owned location TBD
In-Store on the job training (Focus – Commercial Sales)	0	9	Company owned location TBD
In-Store on the job training (Focus – Commercial Sales)	0	18	Company owned location TBD
In-Store on the job training (Focus – Daily Duties)	0	11	Company owned location TBD

We furnish all trainees with:

- Participant’s Guide
- Computer Based Training Modules (CBT’s on DVD)
- System Operations Manuals (on DVD)
- Reference guides and resource documents (on DVD)

Larry Jenkins supervises our training program. Mr. Jenkins is Senior Training Manager, and has been with Interstate Batteries since 1998. Mr. Jenkins facilitates many portions of the training program;

specifically, he develops operational, business and technical skills, enhancing the productivity and quality of work.

Estimated travel and living expenses:

43 Week Training (in Dallas) –
~~(Weeks 1-3 in Dallas, Week 4 TBD)~~

Estimated travel and lodging expenses	Amount
Lodging - \$75 per night (2621 nights)	\$1,950 ,575
Airfare - 2 round trip tickets (1 to Dallas and 1 to <u>Location</u> TBD)	\$750
Meals - \$30 per day (2721 days)	\$810 630
Local Transportation - \$56 per day (2721 days)	\$1,500 ,176
Estimated total (less taxes and fees)	\$5,010,131

Transportation

Trainees are responsible for their own transportation to and from All Battery University.

Rental Car. The typical costs for a rental car during your training can run \$1,200 - \$1,800, depending on the rental agency. Most agencies located off airport property are significantly less expensive than those located on airport property. It may be possible for you and other trainees to share a vehicle to lower your individual rental costs.

Shuttle Service. The typical costs for shuttle transportation to and from a local airport to your hotel will run \$18 to \$25 per person each way. You must allow extra travel time to and from a location when using a shuttle service.

The Manuals

The Manuals consist of five volumes, having a total of 715 pages. The subject matter and number of pages covering each subject is detailed in Exhibit M to this Disclosure Document. You may review the Manuals before signing the Franchise Agreement. The information contained in the Manuals is proprietary and confidential and a trade secret of IBFAD and you must keep it confidential. You and any of your employees who review the Manuals must sign the Confidentiality Agreement attached as Exhibit H to this Disclosure Document before seeing the Manuals.

ITEM 12

TERRITORY

The Franchise Agreement authorizes you to open and operate an Interstate All Battery Center only within your defined Marketing Area. As noted in Item 1, we will determine the Marketing Area in consultation with you before you sign the Franchise Agreement. We typically describe the Marketing Area as the geographic area defined by zip codes, effective as of the date on which the Franchise Agreement is signed. ~~Except as described below, you~~ You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Limited Territorial Protection.

While the Franchise Agreement is in effect, and unless we reduce or otherwise alter your limited exclusivity (as discussed below), we will not establish or operate, or license others to establish or

operate, [full-size certified franchise](#) Interstate All Battery Center retail stores at locations within the Marketing Area, which will consist of an area no less than 3 miles surrounding the Center, but in no case will such limited exclusivity extend beyond the geographic area contained in your original Marketing Area regardless of whether your Center is approved for a site that is at the edge of your Marketing Area. [We may grant you a Marketing Area larger than 3 miles surrounding the Center, such decision being made on a case-by-case basis.](#) In addition, we will not directly solicit customers, advertise or authorize any other franchisee to directly solicit customers or advertise any Authorized Product either: (i) in any medium with an audience that is located primarily within the Marketing Area; or (2) in such a way that the intent or reasonable likely effect is the solicitation of customers within the Marketing Area. However, our affiliates or our independent distributors (which consist of individuals or entities that have signed or will sign a Confidential Distributor Agreement with IBI or another of our affiliates), will have the right to sell any Additional Product, directly solicit customers for any Additional Product and advertise in any medium any Additional Product. "Additional Products" include IBI's "1090NT Products," such as original and replacement electric storage batteries for automotive, motorcycle, marine, golf cart and other equipment and/or machinery uses. In addition, IBI has the right and has offered to its distributors the right to sell Basic Products to customers located within the primary area granted to the distributors in their distributor agreements to certain specified classes of customers. "Basic Products" include those products which IBI designates as "All Battery Products," such as alkaline and dry cell batteries and batteries for household electronics, hearing aids, security systems, cameras, laptops and cell phones. The authorized customers consist of current or future customers of the distributor that purchase primarily Additional Products and do not include commercial or retail customers who exclusively purchase Basic Products.

After your Center has been open and operating through our first fiscal year end following your Center's opening, if your Center fails to achieve gross sales equal to at least 75% of the average gross sales for all Centers for 2 consecutive years, we may redefine or reduce the size of your limited exclusivity in the Marketing Area effective immediately on written notice to you. However, the Marketing Area will not be reduced to an area of less than a 3 mile radius surrounding the Center's premises. [For clarity, the Marketing Area may be much greater than a 3 mile radius surrounding the Center's premises but in no instance will it be reduced to an area less than a 3 mile radius surrounding the Center's premises.](#)

If we determine that there is a need for an additional Center(s) in your Marketing Area, we will notify you and you will have the "first option" to apply to us to establish such additional Center(s). To establish an additional Center, you must sign our then-current form of Franchise Agreement. You must (i) submit a completed Franchise application to us within 10 days after delivery of our notice, (ii) meet our then-current standards and qualifications for new franchise rights (which standards and qualifications may pertain to, among other things, financial ability and performance under and compliance with existing franchise agreements), and (iii) you must sign our then-current form of Franchise Agreement for the additional Center(s) within 20 days after we send the Franchise Agreement(s) to you. If multiple Centers are presented to you, you must commit to all such Centers or none of them. If you fail to submit a completed franchise application, do not meet our standards and qualifications or fail to sign the Franchise Agreement within the time periods allotted, your "first option" will terminate. We may then establish, operate or license others to establish or operate the additional Center(s). We may redefine or reduce your Marketing Area to exclude certain zip codes that may be contained in the Marketing Area associated with an additional Center. Our reduction or termination of your Marketing Area would take effect upon the opening of the additional Center(s).

You may operate your Center only at the locations that we have approved. [You may relocate your Center under these conditions: \(1\) your lease may be expiring and you may wish to move your Center to a location that has better demographics and is more cost efficient than the current location, or \(2\) if you are an Interstate Batteries independent distributor franchisee, then you may wish to move your current Center from a warehouse location to a more retail friendly location.](#) You must obtain our permission before relocating the Center, including the Branch Center. [Any relocation will require the](#)

relocated Center to meet all then current standards. We will consider several factors, including demographic data and the proximity of other Centers, in reviewing a request to relocate. You do not receive the right to acquire other franchises within or outside the Marketing Area.

Except with our prior written consent, you may sell, ship and advertise products only as follows: (1) within the Marketing Area specified by your Franchise Agreement, you may sell and advertise any and all Authorized Products (as defined in the Franchise Agreement); (2) you may sell and ship Basic Products and Auxiliary Products (both as defined in the Franchise Agreement) beyond your Marketing Area; (3) you may not sell or ship Additional Products (as defined in the Franchise Agreement) outside of the Marketing Area specified in your Franchise Agreement, nor may you sell or deliver any Additional Product to a customer of our affiliates' distributors (which typically include route service and consignment customers); (4) you may not advertise any Authorized Product in any advertising medium, including internet sales, websites, catalog sales, radio, telemarketing, mailers, or other direct mailings whose audience is located principally outside of your Marketing Area or where the intent or reasonably likely effect is to solicit customers outside the border of your Marketing Area; (5) within any other franchisee's Marketing Area, you may not directly solicit customers for the sale of any Authorized Product and you may not advertise any Authorized Product; and (6) you may not sell or deliver any product or service, including for example, Basic Products, Additional Products and Auxiliary Products, where such sale or delivery would be reasonably expected to introduce such products or services into commerce in a country other than the United States of America (including its territories and protectorates) (among other things, the direct sale of any product or service by you or your agent to a customer or an agent of a customer located outside of the United States of America will be deemed to constitute breach of this prohibition.)

If you are an Interstate Batteries independent distributor, if your Confidential Distributor Agreement expires or is terminated or your Primary Area of Responsibility under that agreement changes, in addition to our other rights, we have the right to change the boundaries of your CDA Territory and/or your Marketing Area under the Franchise Agreement as we deem appropriate.

If you are an Interstate Batteries independent distributor, you will have the option to sign a Letter Agreement in the form attached to the Franchise Agreement as Appendix D ("Letter Agreement"). The Letter Agreement provides for a temporarily expanded Marketing Area equal in size to the distributor's CDA Territory, but will expressly carve out and exclude the Marketing Area of any other existing third party franchisee. Under the Letter Agreement, if we decide that there is a need for an additional Interstate All Battery Center location(s) within the applicable CDA Territory, then we may (a) terminate the expanded Marketing Area and reinstate the "Marketing Area" as defined in Appendix A and A-1 of your Franchise Agreement; or (b) alter the expanded Marketing Area to exclude those Zip Codes ("Excluded Zip Codes") that may be contained in the Marketing Area associated with the additional Interstate All Battery Center location(s) to be opened in the CDA Territory. The temporarily expanded Marketing Area may also be reduced in our sole discretion, if an Interstate All Battery Center is located adjacent to the CDA Territory. If you sign the Letter Agreement, your Existing Account acquisition payment with respect to RAD's existing telesales customer accounts in the Marketing Area (as described in Item 5) will be increased to include the additional telesales accounts contained in the expanded Marketing Area.

We may discuss with any of your customers or prospective customers the possibility of becoming a "National Customer" (see discussion of the National Accounts Program below). We can use information from any source, including you, in these discussions.

Rights Reserved. We reserve all rights that we do not expressly grant to you. Except for your limited exclusivity in the Marketing Area as described above, we and our affiliates may engage in any business activities, under any name, within any geographic area and at any location. Among other things, we and our affiliates may, even within your Marketing Area: **(i)** market, sell, and distribute batteries through any means other than full-size certified franchise Centers, including the Internet and "Interstate

All Battery Center” kiosks, vending machines, stores-within-stores, and outlets at airports, universities, seasonal mall locations, fairs and trade shows; (ii) establish and operate, and license others to establish and operate, retail outlets and/or telesales operations of any kind that operate under names other than “Interstate All Battery Center,” even if those outlets or operations compete with you; (iii) sell batteries under any name or mark to distributors and dealers, and recruit distributors and dealers, within your Marketing Area; and (iv) authorize any independent distributors to sell any Additional Product or advertise any Additional Product in any medium. We are not required to pay any compensation to you for soliciting or accepting orders inside your Marketing Area.

We currently do not operate any business under a different trademark that sells similar goods in any franchisee’s marketing area. If we were to do so, it may include kiosks, vending machines, stores-within-stores, and outlets at airports, universities, seasonal mall locations, fairs and trade shows. There are no plans to do so in the immediate future.

National Accounts Program. We administer a National Accounts program for Interstate All Battery Centers. If you opt into the National Accounts program and a customer in the program (a “National Customer”) prefers (or the agreement with the National Customer requires) centralized ordering, centralized shipping, centralized billing and account management, or specialized packaging or branding, we or our designee may sell and deliver batteries and battery products directly to that National Customer, regardless of its location. If you agree to and do provide certain services to the National Customer and you are not in default, we (or our designee who services the customer) will pay you monthly 5% of the dollar amount (if any) paid to us during the previous month for purchases of batteries and related products for resale or consumption to which delivery is made to the National Customer’s facilities within your Marketing Area. If you elect not to participate in the National Accounts program, or if you elect to participate but fail to satisfy the conditions of any National Accounts agreement, we may, in our sole discretion, service or authorize others to service the National Customer within your Marketing Area without compensating you. We have the right to prescribe and modify rules and regulations for the National Accounts program.

ITEM 13

TRADEMARKS

The principal mark that you will use as our franchisee is the specifically designed “Interstate All Battery Center” name and logo. You will also use the Interstate® and Inter-state® trademarks. We may also authorize you to use other marks occasionally.

IBSI owns the principal marks and has licensed them to us. We have the non-exclusive perpetual right to use and to license our franchisees to use the marks. IBSI has registered the Interstate® and Inter-state® marks on the Principal Register of the U.S. Patent and Trademark Office (“PTO”). These marks were registered on June 13, 1967, December 26, 1967, and May 2, 1989 and assigned Registration Numbers 0830122, 0841147, and 1537597. IBSI has filed affidavits of continuous use for all three registrations, and an affidavit of incontestability for Registration Number 1537597. All three registrations have been renewed.

The “Interstate All Battery Center” name was registered on the principal register of the PTO on December 1, 2009, and assigned Registration Number 3718169.

There are no currently effective material determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court involving the principal marks. There also are no pending infringement, opposition or cancellation proceedings or any pending material litigation involving the principal marks. Other than the license from IBSI, there are no

agreements currently in effect that significantly limit our or your rights to use or license the use of the principal marks. We know of no infringing uses that could materially affect your use of the principal marks.

You must use the principal marks and any other proprietary marks that we authorize you to use in full compliance with the rules that we prescribe. You may not use any mark, any part of any mark, any variation of a mark or any marks or names similar to a trademark as part of your corporate or other legal name.

You must notify us immediately when you learn about an infringement of, or challenge to, your use of our marks. We will take the action we believe to be appropriate. Although we have no contractual obligation to do so, we intend to 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 your use of the marks. IBSI will control any administrative proceedings or litigation involving the trademark licensed by us to franchisee. The Franchise Agreement does not require us to participate in the franchisee's defense and/or to indemnify the franchisee for expenses or damages if franchisee is a party to an administrative or judicial proceeding involving a trademark licensed by us to the franchisee, or if the proceeding is resolved unfavorably to the franchisee.

We may elect to use a name other than "Interstate All Battery Center" to identify the Centers. If we change the name, you must adopt the new name, at your expense, within 90 days or such other longer period of time as we may specify.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We hold no patents relevant to the franchise. However, much of the material that we will provide to you (including the Manuals, the Software and our advertising materials) is copyrighted. The copyrights in these materials are owned or licensed by RAD and IBFAD. Although RAD and IBFAD might not have registered their copyrights in these materials with the United States Copyright Office, they claim copyright protection and ownership in them through assignment or authorship and may seek registrations in the future.

We own proprietary rights to a number of business format concepts, trade dress features, and other trade secrets, which we license you to use pursuant to the Franchise Agreement. Except for information demonstrably in the public domain, you may not disclose any confidential information or our trade secrets derived from information disclosed to you by us.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

We do not require that you personally supervise the day-to-day operations of your Center, but you must, at all times, employ at least one general store manager and one dedicated B2B salesperson in the Center who is Five Star Certified under our initial training program described in Item 11. Your Center must, at all times, be under the direct, on-premises supervision of a manager who has successfully completed the training program. Managers do not have to have an ownership interest in the Center, but you must, at our request, require them and all employees to sign confidentiality and non-competition covenants in a form we prescribe.

If you are owned by more than one individual, you must designate an “Operating Principal,” who is subject to our approval. The Operating Principal must: (1) have full control over the day-to-day activities of the Center, including control over the standards of operation and financial performance; (2) devote full time and best efforts to supervising the development and operation of the Center; and (3) successfully complete our management training program and any additional training. If the Operating Principal ceases to fulfill these qualifications, you must have a fully-qualified, trained replacement in place within 60 days. If you fail to comply with this requirement, we may provide a manager to operate the Center at your expense until a fully-qualified, trained replacement Operating Principal is in place. We may charge you a reasonable management fee. You and the Operating Principal, if any, must personally attend at your expense any meetings, conferences or conventions that we designate as mandatory. At all times after the Center opens, you must have a designated sales person actively marketing the franchised business in your Marketing Area.

Each of your officers and directors and all holders of a legal or beneficial interest in your business of 10% or more must jointly and severally guarantee payment and performance of the Franchise Agreement. A copy of the Guarantee and Assumption of Franchisee’s Obligations is attached to the Franchise Agreement (Exhibit C to this Disclosure Document). In addition, if you, any of your officers or directors, any holder of a 10% interest in your business, or your parent, subsidiary or affiliate holds any interest in one or more other Interstate All Battery Center franchises, the party that owns that interest must execute a guarantee to us and our affiliates for the payment and performance of all obligations of the franchisee under each franchise agreement.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may sell only the products and services that we approve for sale in Interstate All Battery Centers. We may designate some approved products and services as mandatory and others as optional. We may also establish specifications for your volume and mix of inventory. There is no limit on our right to change these requirements.

Except with our prior written consent, you may sell, ship and advertise products only as follows: (1) within the Marketing Area specified by your Franchise Agreement, you may sell and advertise any and all Authorized Products (as defined in the Franchise Agreement); (2) you may sell and ship Basic Products and Auxiliary Products (both as defined in the Franchise Agreement) beyond your Marketing Area; (3) you may not sell or ship Additional Products (as defined in the Franchise Agreement) outside of the Marketing Area specified in your Franchise Agreement, nor may you sell or deliver any Additional Product to a customer of our affiliates’ distributors (which typically include route service and consignment customers); (4) you may not advertise any Authorized Product in any advertising medium whose audience is located principally outside of your Marketing Area or where the intent or reasonably likely effect is to solicit customers outside the border of your Marketing Area; (5) within any other franchisee’s Marketing Area, you may not directly solicit customers for the sale of any Authorized Product and you may not advertise any Authorized Product; and (6) you may not sell or deliver any product or service, including for example, Basic Products, Additional Products and Auxiliary Products, where such sale or delivery would be reasonably expected to introduce such products or services into commerce in a country other than the United States of America (including its territories and protectorates) (among other things, the direct sale of any product or service by you or your agent to a customer or a customer’s agent located outside of the United States of America will be deemed to constitute breach of this prohibition.) [You are not permitted to consign product.](#)

We may, at our discretion, designate certain customers as National Customers to whom we and participating franchisees will agree to sell products and services at specified rates. We may discuss with any of your customers or prospective customers at any time the possibility of becoming a National

Customer, and may use in such discussions information that we receive from you or any other source. You may opt into or out of the National Accounts program. If you opt into the National Accounts program, you must participate in all National Account agreements and must service each National Account. ~~See Item 12 for more information on the National Accounts program.~~

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

FA: Franchise Agreement

BA: Branch Addendum

Provision	Section In Agreement	Summary
a. Length of the franchise term	Section 4.A. of FA; Section 9 of BA	Term is 10 years in Franchise Agreement. Branch Addendum runs with the Franchise Agreement.
b. Renewal or extension of the term	Section 4.B. of FA	3 renewal terms of 5 years each.
c. Requirements for you to renew or extend	Section 4.B. of FA	We must still be offering franchises. You must: not be in default under the Franchise Agreement or other agreements with us or our affiliates and must not have been in default during prior 12 months, make required renovations, be in compliance with then-current training requirements, have the right to remain in possession of the Center locations, sign a general release, have operated in accordance with the Franchise Agreement and the System, give notice of intent to renew and sign a renewal addendum. Our current form of general release is attached as Exhibit L. The renewal Franchise Agreement will be as offered in the then-current Disclosure Document. We may use a different form in the future with materially different terms and conditions than your original contract.
d. Termination by you	Section 24.D. of FA	You may terminate the Franchise Agreement for cause.
e. Termination by IBFAD without cause	Not Applicable.	Not Applicable.
f. Termination by IBFAD with cause	Section 24 of FA; Section 9 of BA	We may terminate the Franchise Agreement and Branch Addendum for cause.
g. "Cause" defined – curable defaults	Section 24.B. of FA	Other than the defaults listed in h. below, you have 15 days to cure monetary defaults and 45 days to cure other defaults.
h. "Cause" defined – noncurable defaults	Section 24.A. of FA	Under the Franchise Agreement, non-curable defaults include: cessation of operation of the Center for 5 consecutive days; insolvency or inability to pay creditors; filing of a petition in bankruptcy, an arrangement for the benefit of creditors or a petition for reorganization; execution on property or foreclosure on lien; breach of the confidentiality and non-competition covenants of the

Provision	Section In Agreement	Summary
	Section 9 of BA	<p>Franchise Agreement; transfer without prior written approval; material misrepresentation, knowing falsification of report, or omission of a material fact; failure to open your Center within the time specified by the Franchise Agreement; determination by Franchisor that continued operations would result in imminent danger to public health or safety; loss of possession of the franchised location; conviction of or pleading no contest to a felony, crime involving moral turpitude or other crime that we believe is reasonably likely to adversely affect the goodwill of us or the System; material breach of any representation; default beyond the applicable cure period under any other agreement with us or our affiliates; failure to maintain your Store System/Technology Agreement, if applicable; repeated notices of default; termination of your Confidential Distributor’s Agreement, if any; sale of counterfeit product; unauthorized use of Proprietary Marks.</p> <p>Under the Branch Addendum, non-curable defaults include: a default under the Franchise Agreement or the Branch Addendum.</p>
i. Your obligations on termination/nonrenewal	Section 25 of FA	You must: pay all sums owed; return all electronic and hard copies of the Manuals and permanently delete all electronic versions, customer lists and profiles, all other proprietary information, and Software; continue to abide by the covenants in Section 23; discontinue use of Proprietary Marks and de-identify Center; assign to us all telephone numbers used in the operation of the Center; and furnish proof of compliance with post-termination obligations. If you are an Interstate Batteries independent distributor, termination of the Franchise Agreement will cause a default under your CDA in certain circumstances (see Exhibit F to this Disclosure Document).
j. Assignment of contract by IBFAD	Section 21 of FA; Section 10 of BA	There are no limitations on our right to assign the franchise.
k. “Transfer” by you – definition	Section 22.A. of FA; Section 10 of BA	“Transfer” means to sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any interest in you, the Franchise Agreement, the Branch Addendum or the Centers.
l. IBFAD’s approval of transfer by franchisee	Section 22 of FA; Section 10 of BA	You must obtain our approval before any Transfer.

Provision	Section In Agreement	Summary
m. Conditions for IBFAD's approval of transfer	Section 22 of FA; Section 10 of BA	Entire franchise must be transferred together; proposed transferee must demonstrate sufficient experience and qualification; sales price must not be too high; all outstanding monetary obligations must be paid; you must not be in default; you must sign a general release; transferee's employees must complete training; you must pay transfer fee; transferee must sign agreements; you remain liable for all obligations. Our current form of general release is attached as Exhibit L. We may use a different form in the future.
n. IBFAD's right of first refusal to acquire your business	Section 22.F. of FA	We have the right to purchase the interest that you propose to transfer.
o. IBFAD's option to purchase your business	Section 26 of FA	On expiration or earlier termination of the Franchise Agreement, we have the right to purchase your business.
p. Your death or disability	Section 22.E. of FA	The executor or personal representative will have 6 months to apply to us for permission to Transfer to your heir or beneficiary. All ordinary conditions of Transfer apply (see m. above). We have the right to run the Center until the Transfer occurs and to charge a reasonable management fee.
q. Non-competition covenants during the term of the franchise	Section 23.C. of FA	<p>During the term, you may not own, maintain, operate, engage in, advise, help, make loans to, or have any interest in, either directly or indirectly, any retail store business (a) that has batteries as a sales item that comprises at least 20% of sales or (b) that sells batteries and whose method of operation or trade dress is similar to that employed in the System. During the term, you must not hire, attempt to hire or induce any employee of us or our affiliates to leave their employment.</p> <p>All store managers and employees must sign a non-competition agreement in a form we prescribe.</p>
r. Non-competition covenants after the franchise is terminated or expires	Section 23.C. of FA	<p>For a period of 2 years following expiration, early termination, or an approved Transfer of the Franchise Agreement, you may not own, maintain, operate, engage in, advise, help, make loans to, or have any interest in, either directly or indirectly, any retail store business (a) that has batteries as a sales item that comprises at least 20% of sales or (b) that sells batteries and whose method of operation or trade dress is similar to that employed in the System. This restriction applies: (i) within your Marketing Area; (ii) within 3 miles of your Center; and (iii) within 3 miles of any then-existing Interstate All Battery Center. For a period of 2 years following expiration, you must not hire, attempt to hire or induce any employee of us or our affiliates to leave their employment.</p> <p>All store managers and employees must sign a non-competition agreement in a form we prescribe.</p>
s. Modification of the agreement	Section 31 of FA	Franchise Agreement may be modified only in writing.

Provision	Section In Agreement	Summary
t. Integration/merger clause	Section 31 of FA	Not Applicable Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 35 of FA	Arbitration is mandatory for most disputes.
v. Choice of forum	Sections 35.B. & 36 of FA	You may only sue us or arbitrate against us in Dallas County, Texas. State franchise statutes may supersede this choice of forum; see Exhibit I.
w. Choice of law	Section 34 of FA	Texas law governs. State franchise statutes may supersede this choice of law; see Exhibit I.

This table lists certain important provisions of the Store System/Technology Agreement. You should read these provisions in the agreements attached to this Disclosure Document.

Provision	Section In Store System/Technology Agreement	Summary
a. Length of the license term	Section 1.B.	Co-extensive with the term of the Franchise Agreement.
b. Renewal or extension of the term	Not Applicable.	Not Applicable.
c. Requirements for you to renew or extend	Not Applicable.	Not Applicable.
d. Termination by you	Not Applicable.	Not Applicable.
e. Termination by IBFAD without cause	Not Applicable.	Not Applicable.
f. Termination by IBFAD with cause	Section 12.A.	We may terminate the Store System/Technology Agreement for cause.
g. "Cause" defined – curable defaults	Section 12.A.	Other than the defaults listed in h. below, you have 10 days to cure monetary defaults and 30 days to cure other defaults.
h. "Cause" defined – noncurable defaults	Section 12.A.	Non-curable defaults include: breach of Confidentiality, Access to Data, or Non-modification provisions of the Store System/Technology Agreement. We may terminate the Store System/Technology Agreement immediately on these defaults.
i. Your obligations on termination/nonrenewal	Section 12.B.	You must: promptly return to IBFAD all Software, copies of Software, and operating manuals and all other materials and information relating to the Software furnished by IBFAD; and promptly erase all Software from your computer system and certify to us that you have fulfilled this obligation. You must also purge or destroy all confidential information.
j. Assignment of contract by IBFAD	Section 14.B.	There are no limitations on our right to assign the Software license.

Provision	Section In Store System/Technology Agreement	Summary
k. “Transfer” by you – definition	Section 14.A.	“Transfer” means to transfer, assign, sell, donate, lease, rent, loan, convey, translate, demonstrate, convert to another programming language (written or spoken), encumber, distribute, or otherwise alienate the Store System/Technology Agreement, the license, the Software, or any interest therein.
l. IBFAD’s approval of transfer by franchisee	Section 14.A.	If you transfer your franchise with our approval, you may transfer the Software and computer system to the same transferee.
m. Conditions for IBFAD’s approval of transfer	Section 14.A.	The transferee may be required to enter into the then-current Store System/Technology Agreement.
n. IBFAD’s right of first refusal to acquire your business	Not Applicable.	Not Applicable.
o. IBFAD’s option to purchase your business	Not Applicable.	Not Applicable.
p. Your death or disability	Not Applicable.	Not Applicable.
q. Non-competition covenants during the term of the franchise	Not Applicable.	Not Applicable.
r. Non-competition covenants after the franchise is terminated or expires	Not Applicable.	Not Applicable.
s. Modification of the agreement	Not Applicable.	Not Applicable.
t. Integration/merger clause	Not Applicable.	Not Applicable.
u. Dispute resolution by arbitration or mediation	Not Applicable.	Not Applicable.
v. Choice of forum	Not Applicable.	Not Applicable.
w. Choice of law	Section 15	Section 15 incorporates by reference the applicable law provision (§34) of the Franchise Agreement, which states that Texas law governs. State franchise statutes may supersede this choice of law; see Exhibit I.

~~Certain states, including Michigan and Washington, require us to state in the Disclosure Document that we cannot require arbitration proceedings to be conducted in another state (see Exhibit I). However, we reserve the right to challenge such state requirements under the Federal Arbitration Act and, if successful, to require arbitration to be filed in Dallas, Texas.~~

See Exhibit I to this Disclosure Document for additional information required by certain states.

ITEM 18

PUBLIC FIGURES

Our affiliate, IBI, has entered into a Sponsorship Agreement with Joe Gibbs Racing, Inc. and Redline Sports Marketing, Inc., which grants IBI the right to be a primary sponsor of the racing team

owned by Joe Gibbs Racing, Inc., which competes in the NASCAR Sprint Cup racing series. Under the terms of such agreement, IBI has the right to use the name, likeness and voice of Joe Gibbs and other members of the Joe Gibbs Racing team, including the team's drivers (which includes Kyle Busch, Matt Kenseth and Denny Hamlin as of the date of this Disclosure Document), for certain promotional activities on behalf of Interstate Batteries (including the franchises offered in this Disclosure Document). Neither Joe Gibbs nor other members of the Joe Gibbs Racing team receives any compensation from IBFAD; however, they do receive compensation from Joe Gibbs Racing, Inc. for promotion activities undertaken pursuant to the Sponsorship Agreement (the amount of compensation paid to Joe Gibbs and other team members is not available to us). IBI has produced television ads, print ads, and other media ads which feature Joe Gibbs. Neither Joe Gibbs nor other members of Joe Gibbs Racing team manage, or own any interest in, IBFAD.

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

This Item contains certain historical information concerning sales, ~~payroll expenses~~ and the cost of goods sold for:

(1) the 13 company-owned and 63 franchised full-size operated Centers that were open for the entire 12-month period ending April 30, 2013, as well as the 53 franchised full-size 2014 (all of which have been open for over 10 years);

(2) the 34 certified franchise Centers that were open for the entire 36-month period ending April 30, 2014;

(3) the 39 certified franchise Centers that were open for the entire 24-month period ending April 30, 2013. Full-size 2014;

(4) the 52 certified franchise Centers that were open for the entire 12-month period ending April 30, 2014; and

(5) the 156 combined certified franchise and other franchised Centers and that were open for the entire 12-month period ending April 30, 2014.

This Item also contains certain average "same Center" gross sales annual percentage increases on a year-to-year basis for certified franchise Centers during each of the last four full fiscal years.

Certified franchise Centers carry our full product line and offer retail, commercial and custom assembly products, meet our FFS&E standards associated with their current franchise agreement, meet our current minimum retail square footage requirements and our current minimum retail gross sales percentage requirements. We have not included results for ~~full-size~~ the 104 franchised Centers that do not meet one or more of the above certified franchise Center criteria and for any certified franchise Centers that opened or closed during that period, and we have not included information for five warehouse locations that offer limited services under special arrangements with us the relevant period(s).

The first table below shows the average gross sales, ~~average payroll expenses~~ and average cost of goods sold as a percentage of gross sales for ~~the all~~ 13 company-operated ~~full-size~~ Centers ~~which were open 12+ months~~, for the 12 months ended April 30, ~~2013-2014~~. All of these 13 company-operated Centers have been open for over 10 years as of April 30, 2014 and but for being company-operated would otherwise satisfy the above certified franchise Center criteria.

The second table shows the average gross sales, average cost of goods sold and average cost of goods sold as a percentage of gross sales for the ~~29 franchised full-size~~ 34 certified franchise centers open 36+ months, for the 12 months ended April 30, ~~2013-2014~~.

The third table shows the average gross sales, average cost of goods sold and average cost of goods sold as a percentage of gross sales for the ~~37 franchised full-size~~ 39 certified franchise Centers open 24+ months, for the 12 months ended April 30, ~~2013-2014~~.

The fourth table shows the average gross sales, average cost of goods sold and average cost of goods sold as a percentage of gross sales for the ~~45 franchised full-size~~ 52 certified franchise Centers which were open 12+ months, for the 12 months ended April 30, ~~2013-2014~~. ~~We prepared the tables based on information reported to us by franchisees. We have not audited the information, and cannot vouch for its accuracy.-2014.~~

The fifth table shows the average gross sales, average cost of goods sold and average cost of goods sold as a percentage of gross sales for the ~~144~~ 152 certified franchise and other franchised Centers open 12+ months, for the 12 months ended April 30, ~~2013-2014~~.

The sixth table shows the average “same Center” gross sales annual percentage increases on a year-to-year comparison basis for the certified franchise Centers open during the applicable periods during each of the last four full fiscal years ended April 30, 2011, 2012, 2013 and 2014.

We prepared table one based on our internal financial statements and reports. We prepared ~~the~~ table 2 through 6 based on information reported to us by franchisees. We have not audited the information, and cannot vouch for its accuracy. You may wish to consult a financial advisor or an accountant to help you determine how to interpret the information contained in this Item.

**YOUR FINANCIAL RESULTS ARE LIKELY TO DIFFER
FROM THOSE OF THE CENTERS DESCRIBED IN THIS ITEM.**

OPERATING RESULTS FOR COMPANY-OPERATED FULL-CENTERS⁽⁶⁾ OPEN 12<u>10</u>+ MONTHSYEARS (13 CENTERS)		
Average Gross Sales	\$1,318,681 <u>\$1,316,887</u>	<u>45</u> out of 13 (or 34 <u>39</u> %) attained or exceeded the average
Average Payroll Expenses⁽⁴⁾	16% of Gross Sales	7 out of 13 (or 54 %) performed at or below the average payroll expenses
Average Costs of Goods Sold ⁽²¹⁾	57 <u>55</u> % of Gross Sales	<u>74</u> out of 13 (or 54 <u>31</u> %) performed at or below the average cost of goods sold

OPERATING RESULTS FOR FRANCHISED FULL CERTIFIED FRANCHISE CENTERS⁽³²⁾ OPEN 36+ MONTHS (2934 CENTERS)		
Average Gross Sales	\$ 1,136,822 842,514	1314 out of 2934 (or 4541 %) attained or exceeded the average
Average Costs of Goods Sold ⁽²¹⁾	\$ 632,630 461,457	1615 out of 2934 (or 5544 %) performed at or below the average costs of goods sold
	5655 % of Gross Sales	1920 out of 2934 (or 6659 %) performed at or below the average cost of goods sold

OPERATING RESULTS FOR FRANCHISED FULL CERTIFIED FRANCHISE CENTERS⁽³⁾ OPEN 24+ MONTHS (3739 CENTERS)		
Average Gross Sales	\$ 1,017,170 792,656	1918 out of 3739 (or 5146 %) attained or exceeded the average
Average Costs of Goods Sold ⁽²¹⁾	\$ 565,296 432,337	1923 out of 3739 (or 5159 %) performed at or below the average costs of goods sold
	5655 % of Gross Sales	24 out of 3739 (or 6562 %) performed at or below the average cost of goods sold

OPERATING RESULTS FOR FRANCHISED FULL CERTIFIED FRANCHISE CENTERS⁽⁴⁾ OPEN 12+ MONTHS (4552 CENTERS)		
Average Gross Sales	\$ 892,184 666,692	2022 out of 4552 (or 4442 %) attained or exceeded the average
Average Costs of Goods Sold ⁽²¹⁾	\$ 496,257 362,257	2532 out of 4552 (or 5662 %) performed at or below the average cost of goods sold
	5654 % of Gross Sales	3127 out of 4552 (or 6952 %) performed at or below the average cost of goods sold

OPERATING RESULTS FOR ALL FRANCHISED FRANCHISE CENTERS⁽⁵⁾ OPEN 12+ MONTHS (144156 CENTERS)		
Average Gross Sales	\$ 611,296 642,549	5663 out of 144156 (or 3940 %) attained or exceeded the average
Average Costs of	\$ 347,448 365,446	8696 out of 144156 (or 6062 %) performed at or below the average cost of goods sold

Goods Sold ⁽²¹⁾	57% of Gross Sales	8281 out of 144156 (or 5752%) performed at or below the average cost of goods sold
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AVERAGE "SAME CENTER" GROSS SALES PERCENTAGE INCREASE OPERATING RESULTS FOR CERTIFIED FRANCHISE CENTERS⁽⁶⁾ OVER THE PREVIOUS FOUR FISCAL YEARS ENDING APRIL 30, 2014			
<u>Comparison Years</u>	<u>Number of Stores in Comparison</u>	<u>Percentage Increase in Net Revenue From Fiscal Year To Fiscal Year</u>	<u>Number Of Centers Attaining or Exceeding Average Net Revenue Percentage Increase</u>
<u>Fiscal Year 2014 to Fiscal Year 2013</u>	52	9.1%	25 out of 52 (or 48%) attained or exceeded the average
<u>Fiscal Year 2013 to Fiscal Year 2012</u>	35	9.8%	20 out of 35 (or 57%) attained or exceeded the average
<u>Fiscal Year 2012 to Fiscal Year 2011</u>	31	8.9%	19 out of 31 (or 61%) attained or exceeded the average
<u>Fiscal Year 2011 to Fiscal Year 2010</u>	24	8.7%	10 out of 24 (or 42%) attained or exceeded the average

NOTES

- (1) ~~Payroll includes the actual salaries, wages, bonus, overtime and payroll taxes of franchisor-owned Centers. This includes the cost of the Manager, B2B Salesperson, Assistant Manager, Sales Associates and delivery drivers. Excluded expenses are employee insurance, contract labor, benefits, training and education, uniforms, etc.~~(2)

Cost of Goods Sold includes costs of starting/lighting/ignition products (a.k.a. "SLI" products), specialty products and other accessories. The Cost of Goods Sold figure includes the cost of obtaining the inventory sold, including shipping and handling costs, and also includes the cost of recycling used battery products returned to the stores by customers.

~~Furthermore, the~~The Cost of Goods Sold figure does not reflect operating expenses of the Center, which are significant and variable. Operating expenses include, for example, supplies, bank and credit card fees, travel, salaries and employee benefits, real estate costs, depreciation and amortization, selling expenses and general and administrative expenses such as utilities and telephone service, legal and accounting fees, insurance, and repairs and maintenance. Costs are subject to local market conditions and vary depending on the geographic location of the Center. In addition to these expenses, you must pay 5% of gross sales for royalties and contribute 1.5% of gross sales to the National Marketing Fund and spend a minimum annual amount for Local Store Marketing and/or marketing cooperatives. ~~See Items 6 and 11 for details about these obligations.~~

In addition to operating expenses, you will also incur the full cost of constructing, remodeling, and/or equipping your Center, including the cost of obtaining and maintaining the required computer system and a site license and maintenance and support contract for the Software. ~~See Item 11 for details concerning costs associated with the computer system and Software.~~

- (2) The gross sales for certified franchise Centers open 36+ months ranged from \$213,456 to \$2,073,620.
- (3) The gross sales for the ~~full-size franchised~~certified franchise Centers open 24+ months ranged from \$~~113,835~~213,456 to \$~~2,855,587~~2,073,620.
- (4) The gross sales for the ~~full-size franchised~~certified franchise Centers open 12+ months ranged from \$~~113,835~~138,964 to \$~~2,855,587~~2,073,620.
- (5) The gross sales for ~~the~~ all franchised Centers open 12+ months ranged from \$~~44,634~~447,412 to \$~~2,855,587~~; ~~this includes franchisees who are not participating in the full or similar model~~2,959,911; ~~this includes franchised Centers that do not meet the criteria for a certified franchise Center described above.~~
- ~~(6) Each of the 13 company-operated full Centers have been open for business for over 5 years. Two of our company-operated full Centers are located in Omaha, Nebraska and are 6.1 miles apart. These are the only company-operated Centers open 12+ months that are located within the same marketing area. One such Center, Omaha East, generated \$979,517 in gross sales for the 12 months ended April 30, 2013, of which 49.3% came from commercial sales and 50.7% came from retail sales. 11 out of 13 (or 85%) attained or exceeded such gross sales. Omaha East realized 53.0% in gross profit. 3 out of 13 (or 23%) attained or exceeded such gross profit. Gross profit means gross sales minus the Cost of Goods Sold. The second Center, Omaha West, generated \$841,284 in gross sales for the 12 months ended April 30, 2013, of which 42.6% came from commercial sales and 57.4% came from retail sales. 13 out of 13 (or 100%) attained or exceeded such gross sales. Omaha West realized 55.9% in gross profit. 1 out of 13 (or 7.7%) attained or exceeded such gross profit. These two company-operated stores competed in a market with at least four other battery store concepts within a 20 mile radius of their stores.~~
- (6) ~~(7)~~ IBSA's affiliate, Distributor Operations, Inc., operates ~~123~~ ABC locations that are not managed by ABC and are not represented in the company-operated centers average gross sales.

END OF NOTES

Your financial results are likely to differ from those of the Centers described in this Item, for several reasons.

First, nearly all a portion of the ~~franchised~~certified franchise Centers included in the above figures are operated by long-time Interstate Battery distributors or their affiliated companies. These Centers may have benefited from the respective distributor's existing customer base and experience in the battery business.

Second, many of the certified franchise Centers have been in operation for more than three years, and several have been operating for more than five years. These ~~stores~~Centers may be more successful because of their maturity and experience than would a start-up retail ~~store~~Center.

~~Third, 5 of the 144 franchised Centers included in the above figures operate a satellite facility at a separate location; the results of those 5 Centers include the results of their respective satellite facilities.~~

~~Fourth, the stores for which information is provided paid royalties on a sliding scale. You must pay royalty fees equal to 5% of your Gross Sales (or, if you are an Interstate Batteries independent distributor approved to operate your Center from your warehouse location, the minimum annual royalty, if greater). See Item 6 for more information.~~ Fifth, the actual results of your Center will depend on a variety of internal and external factors (some of which neither we nor you can estimate), including your management ability and business skill, competition, taxes, the availability of financing, general economic climate, demographics, and changing consumer preferences. **There is no guarantee that your Center will be profitable.**

~~Other than the information provided above in this Item 19, we do not furnish or authorize our salespersons or anyone else to furnish any information, orally or in writing, concerning the actual or potential sales, costs, income or profits of an Interstate All Battery Center. We specifically instruct our sales personnel, agents, employees, and officers that, other than as set forth in this Item, they are not permitted to make any claims or statements as to the earnings, sales, or profits, or prospects or chances of success of any Center, nor are they authorized to represent or estimate dollar figures as to your operation. We recommend that you make your own independent investigation to determine whether or not to invest in the franchise, and consult with an attorney and other advisors prior to signing any agreement.~~ We have written substantiation to support the information appearing in this Item. Substantiation of the data used in preparing this Item Written substantiation for the financial performance representation will be made available to ~~you~~ the prospective franchisee upon reasonable request.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

~~Information concerning Interstate All Battery Centers as of the past 3 fiscal year ends is set forth below by state (states not listed had no Centers during the 3-year period). Our past 3 fiscal years ended on April 30, 2013, April 30, 2012 and April 30, 2011.~~

**TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY
FOR FISCAL YEARS ~~2011~~2012 TO ~~2013~~2014**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2011 2012	136 164	164 178	+28 14
	2012	164	178	+14
	2013	178	202	+24
	2014	202	200	-2
Licensed Dealers*	2011 2012	126 123	123 118	-37
	2012	123	118	-7
	2013	118	118	0
	2014	118	165	+47
Company-Owned	2011 2012	19 25	25 28	+6 3
	2012	25	28	+3
	2013	28	28	0
	2014	28	28	0

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Total Outlets	2011 2012	281 312	312 324	+ 31 12
	2012	312	324	+12
	2013	324	348	+24
	2014	348	393	+45

TABLE NO.2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR FISCAL YEARS ~~2011~~2012 to ~~2013~~2014

State	Year	Number of Transfers
Alabama	2011 2012	0
	2012	0
	2013	1
	2014	0
Arizona	2011 2012	1
	2012 2013	+0
	2013 2014	0
California	2012	0
	2013	0
	2014	1
Connecticut	2011 2012	0
	2012	1
	2013	0
	2014	0
Florida	2012	0
	2013	0
	2014	1
Idaho	2011 2012	0
	2012	1
	2013	0
	2014	0
Illinois	2012	0
	2013	0
	2014	1
Iowa	2011 2012	0
	2012	1
	2013	0
	2014	0
Kansas	2011	0
	2012	0
	2013	0
	2014	0
Kansas	2012	0
	2013	0
	2014	0

State	Year	Number of Transfers
Massachusetts	2011 2012	0 1
	2012	1
	2013	0
	2014	1
New York	2011 2012	1 0
	2012	0
	2013	0
	2014	0
Ohio	2011 2012	0 2
	2012	2
	2013	2
	2014	0
Oklahoma	2011 2012	0
	2012	0
	2013	0
	2011 2014	1 0
	2012	0
	2013	0
Utah Pennsylvania	2012	0
	2013	0
	2014	1
Texas	2012	0
	2013	0
	2014	2
Utah	2012	0
	2013	0
	2014	0
Ontario, CN	2011 2012	0 1
	2012	1
	2013	0
	2014	0
Totals	2011 2012	3 8
	2012	8
	2013	3
	2014	7

TABLE NO. 3A
STATUS OF FRANCHISED OUTLETS STATUS SUMMARY
FOR FISCAL YEARS ~~2011~~2012 TO 20132014

State	Year	Stores- Outlets Operating at Start of Year	StoresOutlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	StoresOutlets Operating At End of Year End
Alabama	2011 2012	1	0 2	0	0	0	0	1 3
	20122013	13	20	0	0	0	0	3
	20132014	3	0	0	0	0	02	31

State	Year	Stores- Outlets Operating at Start of Year	Stores/Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Stores/Outlets Operating At End of Year End
Alaska	2011 2012	1	0	0	0	0	0	1
	2012 2013	1	0	0	0	0	0	1
	2013 2014	1	0	0	0	0	0 1	1 0
Arizona ⁽¹⁾	2011 2012	4	0	0	0	0	0	4
	2012 2013	4	0	0	0	0	0	4
	2013 2014	4	0	0	0	0	0	4
Arkansas	2011 2012	1	0 1	0	0	0	0	1 2
	2012 2013	1 2	1	0	0	0	0	2 3
	2013 2014	2 3	1 0	0	0	0	0	3
California	2011 2012	9 13	40	0 2	0	0	0	13 11
	2012 2013	13 11	0	2 0	0	0	0	11
	2013 2014	11	0	0 1	0	0	0	11 10
Colorado	2011 2012	4	0	0	0	0	0	4
	2012 2013	4	0 2	0	0	0	0	4 6
	2013 2014	4 6	2 0	0	0	0	0	6
Connecticut	2011 2012	0 1	1 0	0	0	0	0	1
	2012 2013	1	0 1	0	0	0	0	1 2
	2013 2014	1 2	1	0	0	0	0	2 3
Delaware	2011 2012	1	0	0	0	0	0	1
	2012 2013	1	0	0	0	0	0	1
	2013 2014	1	0	0	0	0	0	1
Dominican Republic	2011 2012	1	0	0	0	0	0	1
	2012 2013	1	0	0	0	0	0	1
	2013 2014	1	0 1	0	0	0	0	1 2
Florida	2011 2012	34	13	0	0	0	0	47
	2012 2013	47	32	0	0	0	0	79
	2013 2014	79	20	0	0	0	0	9
Georgia	2011 2012	24	20	0	0	0	0	4
	2012 2013	4	0 1	0	0	0	0	4 5
	2013 2014	4 5	1	0	0	0	0	5 6
Idaho	2011 2012	1	0 2	0	0	0	0	1 3
	2012 2013	1 3	2 0	0	0	0	0	3
	2013 2014	3	0	0	0	0	0	3
Illinois ⁽²⁾⁽³⁾	2011 2012	11 12	1	0	0	0	0	12 13
	2012	12	1	0	0	0	0	13
	2013	13	1	0	0	0	0	14
	2014	14	0	1	0	0	0	13
Indiana	2011 2012	3	0 1	0	0	0	0	3 4
	2012 2013	3 4	1 0	0	0	0	0	4
	2013 2014	4	0 2	0	0	0	0	4 6
Iowa	2011 2012	3	0	0	0	0	0	3
	2012 2013	3	0	0	0	0	0	3
	2013 2014	3	0 1	0	0	0	0	3 4
Louisiana	2011 2012	4 5	1 0	0	0	0	0	5
	2012 2013	5	0	0	0	0	0	5

State	Year	Stores- Outlets Operating at Start of Year	StoresOutlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	StoresOutlets Operating At End of Year End
	2013 2014	5	0 1	0	0	0	0	5 6
Kansas	2011 2012	3	0	0	0	0	0	3
	2012 2013	3	0	0	0	0	0	3
	2013 2014	3	0	0 1	0	0	0	3 2
Kentucky	2011 2012	1	0 1	0	0	0	0	1 2
	2012 2013	1 2	1 2	0	0	0	0	2 4
	2013 2014	2 4	2 0	0	0	0	0 2	4 2
Maryland	2011 2012	1 2	1 0	0	0	0	0	2
	2012	2	0	0	0	0	0	2
	2013	2	0	1	0	0	0	1
	2013 2014	2 1	0	1 0	0	0	0	1
Massachusetts (¹)	2011 2012	4 5	1 0	0	0	0	0	5
	2012 2013	5	0 1	0	0	0	0	5 6
	2013 2014	5 6	1 2	0	0	0	0	6 8
Michigan (¹)	2011 2012	3	0	0 1	0	0	0	3 2
	2012 2013	3 2	0 1	1 0	0	0	0	2 3
	2013 2014	2 3	1 0	0	0	0	0	3
Minnesota (¹)	2011 2012	3 5	2 0	0	0	0	0	5
	2012 2013	5	0 1	0	0	0	0	5 6
	2013 2014	5 6	1	0	0	0	0	6 7
Mississippi	2011 2012	1	0	0	0	0	0	1
	2012 2013	1	0	0	0	0	0	1
	2013 2014	1	0	0	0	0	0	1
Missouri	2011 2012	3	0	0	0	0	0	3
	2012 2013	3	0 1	0	0	0	0	3 4
	2013 2014	3 4	1 0	0	0	0	0	4
Montana	2011 2012	1	0 1	0	0	0	0	1 2
	2012 2013	1 2	1	0	0	0	0	2 3
	2013 2014	2 3	1 0	0	0	0	0	3
Nebraska	2011 2012	1	0	0	0	0	0	1
	2012 2013	1	0	0	0	0	0	1
	2013 2014	1	0	0	0	0	0	1
Nevada	2011 2012	1 3	2 0	0	0	0	0	3
	2012 2013	3	0	0	0	0	0	3
	2013 2014	3	0	0	0	0	0	3
New Hampshire	2011 2012	1	0	0	0	0	0	1
	2012 2013	1	0	0	0	0	0	1
	2013 2014	1	0	0	0	0	0	1
New Mexico	2011 2012	1	0	0	0	0	0	1
	2012 2013	1	0	0	0	0	0	1
	2013 2014	1	0	0	0	0	0	1
New York	2011 2012	6	0	0	0	0	0	6
	2012 2013	6	0	0	0	0	0	6
	2013 2014	6	0 2	0	0	0	0	6 8

State	Year	Stores- Outlets Operating at Start of Year	Stores/Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Stores/Outlets Operating At End of Year End
North Carolina	2011 2012	<u>35</u>	2	0	0	0	0	<u>57</u>
	2012	5	2	0	0	0	0	7
	2013	7	1	1	0	0	0	7
	2014	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>5</u>
North Dakota	2011 2012	2	0	0	0	0	0	2
	2012 2013	2	0	0	0	0	0	2
	2013 2014	2	0	0	0	0	0	2
Ohio	2011 2012	3	0	0	0	0	0 <u>1</u>	3 <u>2</u>
	2012 2013	3 <u>2</u>	0	0 <u>1</u>	0	0	1 <u>0</u>	2 <u>1</u>
	2014	<u>1</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
	2013	2	0	1	0	0	0	1
Oklahoma	2011 2012	24	20	0	0	0	0	4
	2012 2013	4	0	0	0	0	0	4
	2013 2014	4	0	0	0	0	0	4
Oregon	2011 2012	24	20	0	0	0	0	4
	2012 2013	4	0 <u>1</u>	0	0	0	0	4 <u>5</u>
	2013 2014	4 <u>5</u>	1 <u>0</u>	0	0	0	0	5
Pennsylvania	2011 2012	4 <u>5</u>	1 <u>0</u>	0	0	0	0	5
	2012 2013	5	0	0	0	0	0	5
	2013 2014	5	0	0 <u>1</u>	0	0	0	5 <u>4</u>
South Carolina	2011 2012	3	0	0	0 <u>1</u>	0	0	3 <u>2</u>
	2012 2013	3 <u>2</u>	0	0	1 <u>0</u>	0	0	2
	2013 2014	2	0 <u>1</u>	0	0	0	0	2 <u>3</u>
South Dakota (1)(3)	2011 2012	3	0	0	0	0	0	3
	2012 2013	3	0	0	0	0	0	3
	2013 2014	3	0	0	0	0	0	3
Tennessee	2011 2012	14	30	0	0	0	0	4
	2012 2013	4	0 <u>1</u>	0	0	0	0	4 <u>5</u>
	2013 2014	4 <u>5</u>	1 <u>0</u>	0 <u>1</u>	0	0	0 <u>2</u>	5 <u>2</u>
Texas (3)	2011 2012	9 <u>12</u>	30	0	0	0	0	12
	2012	12	0	0	0	0	0	12
	2013	12	4	0	0	0	0	16
	2014	<u>16</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>14</u>
Utah	2011 2012	1	0 <u>1</u>	0	0	0	0	1 <u>2</u>
	2012 2013	1 <u>2</u>	1 <u>0</u>	0	0	0	0	2
	2013 2014	2	0 <u>1</u>	0	0	0	0	2 <u>3</u>
Vermont	2011 2012	2	0	0	0	0	0	2
	2012 2013	2	0	0	0	0	0	2
	2013 2014	2	0	0	0	0	0	2
Virginia	2011 2012	5 <u>6</u>	10	0	0	0	0	6
	2012 2013	6	0 <u>2</u>	0	0	0	0	6 <u>8</u>
	2013 2014	6 <u>8</u>	2	0	0	0	0	8 <u>10</u>
Washington	2011 2012	5	0	0	0	0	0	5
	2012 2013	5	0	0 <u>1</u>	0	0	0	5 <u>4</u>
	2013 2014	5 <u>4</u>	0	1	0	0	0 <u>1</u>	4 <u>2</u>

State	Year	Stores- Outlets Operating at Start of Year	StoresOutlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	StoresOutlets Operating At End of Year End
West Virginia	2011 2012	1	0	0	0	0	0	1
	2012 2013	1	0 1	0	0	0	0	1 2
	2013 2014	1 2	0 10	0 1	0	0	0 1	2 10
Wisconsin	2011 2012	3	0 1	0	0	0	0	3 4
	2012 2013	3 4	1	0	0	0	0	4 5
	2013 2014	4 5	1 10	0	0	0	0	5
Puerto- RicoWyoming	2011 2012	2 0	0	0	0	0	0	2 0
	2012 2013	2 0	0	0	0	0	0	2 0
	2013 2014	2 0	0 2	0	0	0	0	2
CanadaPuerto Rico	2011 2012	6 2	1 0	0	0	0	0	7 2
	2012 2013	7 2	0	0	0	0	0	7 2
	2013 2014	7 2	0	0	0	0	0	7 2
Canada	2012	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
	2013	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
	2014	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
Totals	2011 2012	136 164	28 16	03 3	01 1	0	01 1	164 178
	2012	164	16	3	1	0	1	178
	2013	178	28	4	0	0	0	202
	2014	202	19	8	0	0	13	200

Notes:

- (1) The figures for Arizona, Massachusetts, Michigan, Minnesota and South Dakota each include one Center that operates a satellite facility at a separate location (in the case of the South Dakota Center the facility is located in Wyoming). Satellite facilities are not reflected separately in this table.
- (2) The figures for Illinois include a warehouse location that is not a full-size Center, but offers limited services pursuant to special arrangements with us.
- (3) In the past, we entered into "Deferred Center" arrangements with some franchisees who requested a franchise agreement for a territory that, in our judgment, was not then appropriate for a full-sized Center. Under these Deferred Center arrangements, we did not set specific deadlines for developing a Center. Instead, the agreement provides that, at any time after the first anniversary of the agreement, we may require the franchisee to develop and open a Center within a specific time period. We do not currently offer Deferred Center arrangements, but there are 4 such agreements currently in effect, for one location each in Illinois and South Dakota and for two locations in Texas.

TABLE NO. 3B
STATUS OF LICENSED DEALER OUTLETS-STATUS SUMMARY
FOR FISCAL YEARS ~~2011~~2012 TO 20132014

State	Year	StoresOutlets Operating at Start of Year	StoresOutlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	StoresOutlets Operating At End of Year- End
Alabama	2011 2012	4	0	0	0	0	0	4
	2012 2013	4	0	0	0	0	0	4
	2013 2014	4	<u>0</u>	0	0	0	0	<u>4</u>
Arizona	2011 2012	1	<u>0</u>	0	0	0	0	<u>1</u>
	2012 2013	1	1	0	0	0	0	2
	2013 2014	<u>1</u>	<u>1</u>	0	0	0	0	<u>2</u>
California	2011 2012	6	0	0	0	0	0	6
	2012 2013	6	0	0	0	0	0	6
	2013 2014	6	<u>0</u>	0	0	0	0	<u>6</u>
Colorado	2011 2012	2	0	0	0	0	0	2
	2012 2013	2	0	0	0	0	0	2
	2013 2014	2	<u>0</u>	0	0	0	0	<u>2</u>
Connecticut	2011 2012	3	0	0	0	0	<u>0</u>	<u>3</u>
	2012 2013	<u>3</u>	0	0	0	0	<u>0</u>	1
	2013 2014	1	0	0	0	0	<u>0</u>	<u>1</u>
Delaware	2011 2012	1	0	0	0	0	0	1
	2012 2013	1	0	0	0	0	0	1
	2013 2014	1	0	0	0	0	0	1
Florida	2011 2012	<u>10</u>	0	0	0	0	<u>0</u>	<u>10</u>
	2012 2013	<u>9</u>	0	0	0	0	<u>0</u>	8
	2013 2014	8	<u>0</u>	0	0	0	0	<u>8</u>
Georgia	2011 2012	5	0	0	0	0	0	5
	2012 2013	5	0	0	0	0	0	5
	2013 2014	5	<u>0</u>	0	0	0	0	<u>5</u>
Idaho	2011 2012	1	0	0	0	0	0	1
	2012 2013	1	0	0	0	0	0	1
	2013 2014	1	0	0	0	0	0	1
Illinois	2011 2012	<u>4</u>	0	0	0	0	<u>0</u>	3
	2012 2013	3	0	0	0	0	0	3
	2013 2014	3	0	0	0	0	<u>0</u>	<u>3</u>
Indiana	2011 2012	6	0	0	0	0	0	6
	2012 2013	6	0	0	0	0	0	6
	2013 2014	6	0	0	0	0	0	6
Iowa	2011 2012	1	<u>0</u>	0	0	0	<u>0</u>	1
	2012 2013	1	0	0	0	0	0	1
	2013 2014	1	0	0	0	0	0	1
Kansas	2011 2012	1	0	0	0	0	0	1
	2012 2013	1	0	0	0	0	0	1
	2013 2014	<u>1</u>	<u>0</u>	0	0	0	0	<u>1</u>

State	Year	Stores Operating at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Stores Operating At End of Year- End
Kentucky	20112012	3	0	0	0	0	0	3
	20122013	3	0	0	0	0	0	3
	20132014	3	0	0	0	0	0 <u>1</u>	3 <u>32</u>
Louisiana	20112012	2	0	0	0	0	0	2
	20122013	2	0	0	0	0	0	2
	20132014	2	0 <u>1</u>	0	0	0	0	2 <u>23</u>
Maine	20112012	1	0	0	0	0	0	1
	20122013	1	0	0	0	0	0	1
	20132014	1	0 <u>1</u>	0	0	0	0	1 <u>12</u>
Maryland	20112012	4 <u>3</u>	0	0	0	0	0 <u>10</u>	3
	20122013	3	0	0	0	0	0	3
	20132014	3	0	0	0	0	0	3
Massachusetts	20112012	2	0	0	0	0	0	2
	20122013	2	0	0	0	0	0	2
	20132014	2	0	0	0	0	0	2
Michigan	20112012	6	0	0	0	0	0	6
	20122013	6	0	0	0	0	0	6
	20132014	6	0 <u>3</u>	0	0	0	0	6 <u>69</u>
Mississippi	20112012	2	0	0	0	0	0	2
	20122013	2	0	0	0	0	0	2
	20132014	2	0	0	0	0	0	2
Missouri	20112012	1	0	0	0	0	0	1
	20122013	1	0	0	0	0	0	1
	20132014	1	0 <u>1</u>	0	0	0	0	1 <u>12</u>
Montana	20112012	1	0	0	0	0	0	1
	20122013	1	0	0	0	0	0	1
	20132014	1	0	0	0	0	0	1
Nebraska	20112012	0 <u>1</u>	10 <u>10</u>	0	0	0	0	1
	20122013	1	0	0	0	0	0	1
	20132014	1	0	0	0	0	0	1
New Jersey	20112012	5	0	0	0	0	0	5
	20122013	5	0	0	0	0	0	5
	20132014	5	0 <u>1</u>	0	0	0	0	5 <u>56</u>
New Mexico	20112012	3	0	0	0	0	0	3
	20122013	3	0	0	0	0	0	3
	20132014	3	0	0	0	0	0	3
New York	20112012	4	0	0	0	0	0	4
	20122013	4	0	0	0	0	0	4
	20132014	4	0 <u>2</u>	0	0	0	0	4 <u>46</u>
North Carolina	20112012	2 <u>1</u>	0 <u>1</u>	0	0	0	10 <u>10</u>	12 <u>12</u>
	20122013	12 <u>12</u>	10 <u>10</u>	0	0	0	0	2
	20132014	2	0 <u>2</u>	0	0	0	0	24 <u>24</u>
Ohio	20112012	11	0	0	0	0	0 <u>1</u>	110 <u>110</u>
	2012	11	0	0	0	0	1	10
	2013	10	0	0	0	0	0	10

State	Year	Stores Operating at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Stores Operating At End of Year- End
	2014	10	1	0	0	0	0	11
Oregon	2011 2012	4 0	0	0	0	0	4 0	0
	2012 2013	0	0	0	0	0	0	0
	2013 2014	0	0	0	0	0	0	0
Pennsylvania	2011 2012	6	0	0	0	0	0	6
	2012 2013	6	0	0	0	0	0	6
	2013 2014	6	0 1	0	0	0	0	6 7
South Carolina	2011 2012	3	0	0	0	0	0	3
	2012 2013	3	0	0	0	0	0	3
	2013 2014	3	0 2	0	0	0	0	3 5
Tennessee	2011 2012	5	0	0	0	0	0	5
	2012 2013	5	0	0	0	0	0	5
	2013 2014	5	0 1	0	0	0	0	5 6
Texas	2011 2012	7	0	0	0	0	0 1	7 6
	2012	7	0	0	0	0	1	6
	2013	6	0	0	0	0	0	6
	2014	6	11	0	0	0	0	17
Utah	2011 2012	1 2	1 0	0	0	0	0	2
	2012 2013	2	0	0	0	0	0	2
	2013 2014	2	0	0	0	0	0 1	2 1
Vermont	2011 2012	1	0	0	0	0	0	1
	2012 2013	1	0	0	0	0	0	1
	2013 2014	1	0	0	0	0	0	1
Virginia	2011 2012	1	0	0	0	0	0	1
	2012 2013	1	0	0	0	0	0	1
	2013 2014	1	0	0	0	0	0	1
Washington	2011 2012	2	0	0	0	0	0	2
	2012 2013	2	0	0	0	0	0	2
	2013 2014	2	0	0	0	0	0	2
West Virginia	2011 2012	2	0	0	0	0	0	2
	2012 2013	2	0	0	0	0	0	2
	2013 2014	2	0 1	0	0	0	0	2 3
Wisconsin	2011 2012	1	0	0	0	0	0	1
	2012 2013	1	0	0	0	0	0	1
	2013 2014	1	0	0	0	0	0	1 0
Canada	2011 2012	4	0	0	0	0	0 2	4 2
	2012	4	0	0	0	0	2	2
	2013	2	0	0	0	0	0	2
	2014	2	2	0	0	0	0	4
Totals	2011 2012	126 123	2	0	0	0	57 7	123 118
	2012	123	2	0	0	0	7	118
	2013	118	0	0	0	0	0	118
	2014	118	51	0	0	0	4	165

TABLE NO. 4
STATUS OF COMPANY-OWNED OUTLETS-STATUS SUMMARY
FOR FISCAL YEARS ~~2011~~2012 TO ~~2013~~2014⁽¹⁾⁽²⁾

State	Year	Outlets Operating at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets Operating At End of Year
California	2011 2012	0 1	1 0	0	0	0	1
	2012 2013	1	0	0	0	0	1
	2013 2014	1	0	0	0	0	1
Colorado	2011 2012	1	0	0	0	0	1
	2012 2013	1	0	0	0	0	1
	2013 2014	1	0	0	0	0	1
Florida	2011 2012	0	0 1	0	0	0	0 1
	2012 2013	0 1	1 0	0	0	0	1
	2013 2014	1	0	0	0	0	1
Georgia	2011 2012	1	0	0	0	0	1
	2012 2013	1	0	0	0	0	1
	2013 2014	1	0	0	0	0	1
Iowa	2011 2012	1	0	0	0	0	1
	2012 2013	1	0	0	0	0	1
	2013 2014	1	0	0	0	0	1
Kansas	2011 2012	1	0	0	0	0	1
	2012 2013	1	0	0	0	0	1
	2013 2014	1	0	0	0	0	1
Nebraska	2011 2012	3	0	0	0	0	3
	2012 2013	3	0	0	0	0	3
	2013 2014	3	0	0	0	0	3
North Carolina	2011 2012	2 1	0	0	0	0	1
	2012 2013	1	0	0	0	0	1
	2013 2014	1	0	0	0	0	1
Oklahoma	2011 2012	1	0	0	0	0	1
	2012 2013	1	0	0	0	0	1
	2013 2014	1	0	0	0	0	1
Texas	2011 2012	7 11	4 1	0	0	0	11 12
	2012 2013	11 12	1 0	0	0	0	12
	2013 2014	12	0	0	0	0	12
Canada	2011 2012	2 4	2 1	0	0	0	4 5
	2012 2013	4 5	1 0	0	0	0	5
	2013 2014	5	0	0	0	0	5
Totals	2011 2012	19 25	7 3	0	0	1 0	25 28
	2012 2013	25 28	3 0	0	0	0	28
	2013 2014	28	0	0	0	0	28

Note:

(1) As noted in Item 1, as of April 30, ~~2013~~,2014, ABC and its affiliates operated the company-owned stores.

- (2) IBI operates 15 ABC locations that are not managed by ABC, but are, however, reflected in company-owned operated locations.

**TABLE NO. 5
PROJECTED OPENINGS
AS OF APRIL 30, ~~2013~~2014**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Licensed Dealer Outlets in the Next Fiscal Year	Projected New Company Owned Outlets in the Next Fiscal Year
Alabama	20	20	0	0
Arizona	43	3	0	0
California	30	30	0	0
Colorado	1	0	0	0
Connecticut	1	1	0	0
Delaware	10	10	0	0
Florida	613	41	0	0
Georgia	20	20	0	0
Idaho	1	1	0	0
Indiana	10	10	0	0
Iowa	10	10	0	0
Kentucky	1	1	0	0
Louisiana	12	1	0	0
Massachusetts	25	12	0	0
Maryland	10	10	0	0
Minnesota	3	23	0	0
Missouri	10	10	0	0
Montana	10	10	0	0
Nevada	1	1	0	0
New York	1	1	0	0
North Carolina	3	23	0	0
Ohio	24	1	0	0
Ontario	10	10	0	0
Oregon	12	02	0	0
South Carolina	21	21	0	0
Tennessee	21	21	0	0
Texas	43	13	0	0
Utah	32	12	0	0
Virginia	34	23	0	0
Wisconsin	32	21	0	0
Wyoming	10	10	0	0
Totals	6055	4332	0	0

Information concerning Interstate All Battery Centers as of the past 3 fiscal year-ends is by state (states not listed had no Centers during the 3-year period). Our past 3 fiscal years ended on April 30, 2014, April 30, 2013 and April 30, 2012.

List of Current Franchisees

Attached as Exhibit J is a list of the addresses and telephone numbers of all franchised Interstate All Battery Centers as of ~~June 28, 2013~~ April 30, 2014.

Also attached as Exhibit J is a list of the names of the franchisees that had signed agreements and the locations of the Centers that were not operational as of April 30, 2014.

List of Former Franchisees

~~We had 5~~ The below franchisees had franchise agreements that were canceled, terminated, or not renewed, or the franchisees voluntarily ceased to do business, during the period from May 1, ~~2012~~ 2013 through April 30, ~~2013, and no~~ 2014. No franchisees failed to communicate with us during the 10 weeks before the date of this Disclosure Document. The last known address and telephone number for each of these franchisees is listed below. In this chart, *means the Center was a warehouse Center location and **means the Center never opened.

~~Rodney Swope~~
~~486 Vista Glen Dr.~~
~~Springdale, OH. 45246~~

Andy Roberson
812 Ola St.
Clanton, AL 35045
(513) 699-7468/205) 389-1355
(2 Centers)**

Verne Monette
7740 Shoon St.
Anchorage, AK 99518
(907) 349-1577
(1 Center)*

Bill Gehrig
2321 Pontius Ave.
Los Angeles, CA 90064
(1 Center)*

Mike Corbridge
3701 Pell Circle
Sacramento, CA 95838
(916) 921-6074
(1 Center)*

Mike Johnston
300 Willow
Ft. Collins, CO 80524
(970) 484-1307
(1 Center)*

Henry Paloci
15803 Lockmaben
Fort Meyers, FL 33912
(239) 561-9502
(1 Center)**

Matt Brown
3674 Leticia Ln
Tallahassee, FL 32312
(850) 509-9113
(1 Center)**

Dean Opstead
P.O. Box 19022
Topeka, KS 66619
(785) 862-2393
(1 Center)*

David Absher
250 S. Kinzie
Bradley, IL 60915
(815) 802-1083
(1 Center)*

Ken Machonis
139 Washington St.
Auburn, MA 01501
(508) 791-7904
(1 Center)*

~~Leon Taylor~~
~~Eddie Morris Taylor~~
~~30491 Potomac Way Road~~
~~Charlotte Hall, MD. 20622~~

Dan Hartel
335 E. 78th St.
Bloomington, MN 55420
(952) 345-1190

[\(1 Center\)*](#)

Paul ~~E~~-Anderson
259 Industrial Park Dr.
Waynesville, NC- 28786
(828) ~~258-7400~~[454-1925](tel:454-1925)
[\(1 Center\)*](#)

[Tom Oliver](#)
[141 Rte. 106](#)
[Cardondale, PA 18407](#)
[\(1 Center\)*](#)

[Rick Horne](#)
[4625 Shallowford Rd.](#)
[Chattanooga, TN 37411](#)
[\(423\) 899-5717](#)
[\(1 Center\)*](#)

[Bryce Myrick](#)
[1481 Cr. 324](#)
[Abilene, TX 79606](#)
[\(325\) 725-4354](#)
[\(1 Center\)](#)

~~Kevin & Jennie Haugen~~
~~3421 NE 109th Ave.~~
~~Vancouver, WA. 98682~~

[John Chunn](#)
[2995 Preston Rd.](#)
[Frisco, TX 75034](#)
[\(214\) 705-0504](#)
[\(2 Centers\)](#)

[Jeff Washburn](#)
[3504 Hemlock Ct.](#)
[Temple, TX 76502](#)
[\(254\) 935-2213](#)
[\(1 Center\)](#)

~~Tom & Vern Allen*~~
~~727 ~~134th~~131st St. SW~~
~~Everett, WA- 98204~~
~~(425) 743-7677~~
~~*Store never opened~~[\(1 Center\)*](#)

[Rick Honnold](#)
[5417 East Trent](#)
[Spokane, WA 99212](#)
[\(509\) 534-0676](#)
[\(1 Center\)*](#)

[Ron Farmer](#)
[35 Washington Ave.](#)
[Huntington, WV 25701](#)
[\(304\) 523-6344](#)
[\(1 Center\)*](#)

In some instances, current and former franchisees sign provisions restricting their ability to speak only about their experience with us. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

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

Previously-Owned Franchised Outlets

If you are purchasing a previously-owned franchised outlet, we will provide you additional information on the previously-owned franchised outlet in an addendum to this Disclosure Document.

Confidentiality Clauses

During the last 3 fiscal years, we have signed agreements with franchisees that contain confidentiality clauses that would restrict a franchisee's ability to speak openly about their experience.

Trademark-Specific Franchisee Organizations

We are not currently aware of any trademark-specific franchisee organizations associated with the franchise system which we have created, sponsored or endorsed, or any independent franchisee organizations that have asked to be included in this Disclosure Document.

ITEM 21

FINANCIAL STATEMENTS

The audited balance sheets of IBFAD as of April 30, ~~2013~~2014 and ~~2012~~2013 and related statements of operations, stockholders' equity, and cash flows for the fiscal years ending April 30, ~~2013, 2014, 2013 and~~ 2012 ~~and 2011~~ are attached as Exhibit K.

ITEM 22

CONTRACTS

The following contracts appear in Exhibits to this Disclosure Document:

Exhibit C	Franchise Agreement
Exhibit D	Branch Addendum
Exhibit E	Store System/Technology Agreement and Participation Agreement
Exhibit F	Addendum to Confidential Distributor Agreement
Exhibit G	Credit and Security Agreement
Exhibit H	Confidentiality Agreement
Exhibit L	General Release
Exhibit M	Promissory Note

Some states require changes to the Franchise Agreement and Store System/Technology Agreement, which will be made in an addendum to the respective agreement. The state-required addenda appear in Exhibit I (after the Franchise Agreement in Exhibit C and after the Store System/Technology Agreement in Exhibit E).

ITEM 23

RECEIPTS

The last two pages of this Disclosure Document are detachable receipt pages. Please sign and date each of them as of the date you received this Disclosure Document and return one copy to us.

EXHIBIT A
STATE ADMINISTRATORS

STATE ADMINISTRATORS

California:

Department of Business Oversight
1-866-275-2677

Los Angeles

320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344
(213) 576-7500

Sacramento

1515 K Street, Suite 200
Sacramento, CA 95814-4052
(916) 445-7205

San Diego

1350 Front Street, Room 2034
San Diego, CA 92101-3697
(619) 525-4233

San Francisco

One Sansome Street, Suite 600
San Francisco, CA 94104
(415) 972-8559

Connecticut:

John P. Burke
Banking Commissioner
Department of Banking
Securities and Business Investments Div.
260 Constitution Plaza
Hartford, CT 06103-1800
(860) 240-8299

Hawaii:

Commissioner of Securities
Department of Commerce and Consumer Affairs
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2744

Illinois:

Illinois Attorney General
500 South Second Street
Springfield, IL 62706
(217) 782-4465

Indiana:

Securities Commissioner
Securities Division
Room E-111
302 West Washington Street
Indianapolis, IN 46204
(317) 232-6681

Maryland:

Office of the Attorney General
Division of Securities
200 St. Paul Place
Baltimore, MD 21202-2020
(410) 576-6360

Michigan:

Department of the Attorney General
Consumer Protection Division
Franchise Section
525 W. Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, MI 48933

Minnesota:

Commissioner
Department of Commerce
85 7th Place East, Suite 500
St. Paul, MN 55101
(651) 296-6328

New York:

New York State Department of Law
Bureau of Investor Protection and Securities
120 Broadway, 23rd Floor
New York, NY 10271
(212) 416-8211

North Carolina:

Department of the Secretary of State
Business Opportunities Division
2 South Salisbury Street
Raleigh, NC 27601-2903

North Dakota:

North Dakota Securities Department
State Capitol, 5th Floor
600 East Boulevard Avenue
Bismarck, ND 58505-0510
(701) 328-2910

Oregon:

Div. of Finance & Corp. Securities
Department of Consumer &
Business Services, Room 410
350 Winter Street, NE
Salem, OR 97301-3881
(503) 378-4140

Rhode Island:

Securities Division
Department of Business Regulation
John O. Pastore Complex, Bldg. 69-1
1511 Pontiac Avenue
Cranston, RI 02920
(401) 222-3048

South Carolina:

Secretary of State's Office
Edgar Brown Building
1205 Pendleton Street, Suite 525
Columbia, SC 29201

South Dakota:

Franchise Administrator
Division of Securities
Department of Labor & Regulation
445 East Capitol Avenue
Pierre, SD 57501
(605) 773-4823

Virginia:

State Corporation Commission
Division of Securities & Retail Franchising
1300 East Main Street, 9th Floor
Richmond, VA 23219
(804) 371-9051

Washington:

Securities Division
Department of Financial Institutions
150 Israel Road, SW
Olympia, WA 98501
(360) 902-8760

Wisconsin:

Division of Securities
Department of Financial Institutions
345 W. Washington Avenue, 4th Floor
Madison, WI 53703
(608) 266-8557

EXHIBIT B
AGENTS FOR SERVICE OF PROCESS

AGENTS FOR SERVICE OF PROCESS

Arizona

CT Corporation System
3225 N. Central Ave.
Phoenix, AZ 85012

California

Commissioner of Business Oversight
Department of Business Oversight
1515 K Street, Suite 200
Sacramento, CA 95814-4052

CT Corporation System
818 W. Seventh Street
Los Angeles, CA 90017

Colorado

The Corporation Company
1675 Broadway
Denver, CO 80202

Connecticut

Banking Commissioner
Department of Banking
Securities and Business Investments Div.
260 Constitution Plaza
Hartford, CT 06103-1800

Florida

CT Corporation System
1200 South Pine Island Road
Plantation, FL 33324

Hawaii

Commissioner of Securities
335 Merchant Street
Honolulu, HI 96813

The Corporation Company, Inc.
1000 Bishop Street
Honolulu, HI 93813

Idaho

CT Corporation System
300 North 6th Street
Boise, ID 83701

Illinois

Illinois Attorney General
500 South Second Street
Springfield, IL 62706

CT Corporation System
208 S. LaSalle Street, Suite 814
Chicago, IL 60604

Indiana

Indiana Secretary of State
201 State House
200 W. Washington Street
Indianapolis, IN 46204

CT Corporation System
251 E. Ohio Street, Suite 1100
Indianapolis, IN 46204

Iowa

CT Corporation System
2222 Grand Avenue
Des Moines, IA 50312

Kansas

The Corporation Company, Inc.
515 S. Kansas Avenue
Topeka, KS 66603

Maryland

Securities Commissioner
Securities Division
Office of the Attorney General
200 St. Paul Place
Baltimore, MD 21202-2020

The Corporation Trust Incorporated
300 East Lombard Street
Baltimore, MD 21202

Massachusetts

CT Corporation System
101 Federal Street
Boston, MA 02110

Michigan

The Corporation Company
30600 Telegraph Road
Bingham Farms, MI 48025

Minnesota

Minnesota Commissioner of Commerce
Market Assurance Division
85 7th Place East, Suite 500
St. Paul, MN 55101-2198

CT Corporation System, Inc.
405 Second Avenue, South
Minneapolis, MN 55401

Mississippi

CT Corporation System
631 Lakeland East Drive
Flowood, MS 39208

Missouri

CT Corporation System
120 South Central Avenue
Clayton, MO 63105

Nebraska

CT Corporation System
206 South 13th Street, Suite 500
Lincoln, NE 68508

New York

New York Secretary of State
41 State Street
Albany, NY 10271

CT Corporation System
111 Eighth Avenue
New York, NY 10011

North Carolina

North Carolina Secretary of State
2 South Salisbury Street
Raleigh, NC 27601-2903

CT Corporation System
225 Hillsborough St.
Raleigh, NC 27603

North Dakota

North Dakota Securities Department
600 East Boulevard, Fifth Floor
Bismarck, ND 58505-0510

CT Corporation System
314 East Thayer Avenue
Bismarck, ND 58501

Ohio

CT Corporation System
1300 East 9th Street, Suite 1010
Cleveland, OH 44114

Oklahoma

The Corporation Company
120 North Robinson
735 First National Bldg.
Oklahoma City, OK 73102

Rhode Island

Director, Rhode Island Department of
Business Regulation
Securities Division
John O. Pastore Complex, Bldg. 69-1
1511 Pontiac Avenue
Providence, RI 02920

CT Corporation System
10 Weybosset Street
Providence, RI 02903

South Carolina

CT Corporation System
75 Beattie Place
Greenville, SC 29601

South Dakota

Director, Division of Securities
Department of Labor and Regulation
445 East Capitol Avenue
Pierre, SD 57501

CT Corporation System
319 S. Coteau Street
Pierre, SD 57501

Texas

Walter C. Holmes, III
12770 Merit Drive, Suite 400
Dallas, TX 75251

Virginia

Clerk of the State Corporation Commission
1300 E. Main Street, 1st Floor
Richmond, VA 23219

CT Corporation System
4701 Cox Road, Suite 301
Glen Allen, VA 23060

Washington

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

CT Corporation System
520 Pike Street
Seattle, WA 98101

Wisconsin

Wisconsin Commissioner of Securities
Department of Financial Institutions
345 W. Washington Avenue, 4th Floor
P.O. Box 1768
Madison, WI 53701

CT Corporation System
8025 Excelsior Drive, Suite 200
Madison, WI 53707

EXHIBIT C
FRANCHISE AGREEMENT AND STATE-REQUIRED AMENDMENTS

EXHIBIT D
BRANCH ADDENDUM

**BRANCH ADDENDUM TO
INTERSTATE ALL BATTERY CENTER FRANCHISE AGREEMENT**

THIS ADDENDUM is made as of **{Date}** (the “Effective Date”), by and between Interstate Battery Franchising & Development, Inc., a Delaware corporation with its principal place of business at 4301 121st Street, Urbandale, Iowa 50323 (“Franchisor”), and **{FRANCHISEE NAME}**, a **{State of Inc}** corporation with its principal place of business at **{Address}** (“Franchisee”).

RECITALS

- A. Franchisee operates an Interstate All Battery Center located at **{Location}** (the “Center”) pursuant to a franchise agreement with Franchisor dated **{Date}** (the “Franchise Agreement”).
- B. Franchisee desires to establish and operate one satellite All Battery Center which will be located at **{Location}** (the “Branch Center”), and to use the Proprietary Marks and the System in connection with the operation of the Branch Center.
- C. Franchisor wishes to permit Franchisee to establish and operate the Branch Center.
- D. Franchisor and Franchisee desire to amend the Franchise Agreement ~~as set forth herein~~ to reflect the rights necessary to operate the Branch Center.

NOW THEREFORE, in consideration of the mutual covenants, agreements and obligations ~~set forth~~ below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree that the Franchise Agreement shall be amended as follows:

1. **Grant.** Subject to the provisions of this Addendum and the Franchise Agreement, Franchisor hereby grants to Franchisee the right, and Franchisee hereby undertakes the obligation, to develop the Branch Center under the System as provided in this Addendum, and thereafter to operate the Branch Center for the remainder of the Term of the Franchise Agreement. The Branch Center shall offer and sell Authorized Products only, and shall not offer or sell any other products or services.
2. **Branch Center Franchise Fee.** Franchisee shall pay to Franchisor, at the time this Addendum is signed by Franchisee, the sum of \$22,500 (the “Branch Center Franchise Fee”). The Branch Center Franchise Fee is fully earned by Franchisor when paid, is not refundable, and is not credited against any other fees to be paid to Franchisor.
3. **Establishment of Branch Center.** Franchisee shall open the Branch Center and commence business not later than **{Date}**. Prior to opening, Franchisee shall complete all improvements to the Branch Center premises, including installation of décor, fixtures, equipment, signs, storefront and color scheme pursuant to Franchisor-approved plans and specifications. Franchisee shall obtain Franchisor’s prior written approval of the signage, design, décor, dimensions and interior layout of the Branch Center premises. In no event shall the establishment of the Branch Center at any site violate any agreement to which Franchisor is or shall become a party. The lease for the Branch Center shall comply in all respects with the Franchise Agreement. In no event shall Franchisee acquire the Branch Center site or open the Branch Center without Franchisor’s express written authorization. The location of the Branch Center cannot be changed without Franchisor’s prior written approval.
4. **Standards for Branch Center.** Franchisee acknowledges and agrees that Franchisor shall have the right to establish, and amend from time to time, standards of operation, specifications, instructions, requirements, methods and procedures for the operation of the Branch Center, which may differ from the standards of operation, specifications, instructions, requirements, methods and procedures for the operation of the Center, including, without limitation, the use of different marks, the sale of a different or limited variety of Authorized Products, different premises layout and design and requirements to add one

or more business-to-business representatives for the Branch Center based on commercial account levels set by Franchisor from time to time. Franchisee shall comply with all such standards, specifications and procedures, as amended by Franchisor from time to time. Franchisee shall identify the Branch Center by the name {Name}, without prefix or suffix, and Franchisee shall advertise the Branch Center under the name {Name}, without prefix or suffix.

5. Application of Terms of Franchise Agreement. Except to the extent superseded by this Addendum, Franchisee shall establish and operate the Branch Center in full compliance with all of the terms of the Franchise Agreement, including, without limitation, terms relating to: (a) the payment of royalty fees, existing account fees, advertising fees, software license and support fees, set up fees and rescheduling fees; (b) the sale of approved products and services; (c) procurement of all necessary permits and licenses to operate the Branch Center; (d) insurance; and (e) maintenance of Franchisor's high standards, and all terms of the Franchise Agreement applicable to the Center shall also apply to the Branch Center. Except to the extent superseded by this Addendum, the term "Center" as used in the Franchise Agreement, shall include, without limitation, the Branch Center. The Franchise Agreement shall govern the parties' relationship hereunder. ~~Notwithstanding the foregoing and notwithstanding anything to the contrary in the Franchise Agreement,~~ Franchisor shall have no obligation to conduct telesales on behalf of Franchisee with respect to the Branch Center.

6. Territory. This Addendum grants to Franchisee no territorial or geographic rights or protections, nor does it alter or otherwise affect the limited territorial protection accorded to the franchisee pursuant to the Franchise Agreement.

7. Delivery Vehicles. ~~Notwithstanding anything to the contrary in the Franchise Agreement,~~ Franchisee shall not be required to use any delivery vehicles in connection with the operation of the Branch Center. However, Franchisor reserves the right to require an additional delivery vehicle if the volume of business increases to the point where the lack of an additional vehicle restricts the growth of market share.

8. Equipment. Franchisee shall, at Franchisee's expense, purchase or lease and utilize at the Branch Center premises and in connection with the Branch Center business such point of sale computer hardware and software, required dedicated telephone and power lines, modem(s), printer(s) and other computer-related accessories and peripheral equipment as Franchisor specifies from time to time.

9. Term and Termination. The term of this Addendum shall begin upon the Effective Date and, unless this Addendum is terminated sooner, shall end upon the termination or expiration of the Franchise Agreement. In addition, Franchisor shall have the right to terminate this Addendum and the rights granted by this Addendum independently from and without terminating the Franchise Agreement, upon 45 days' notice to Franchisee in the event of any default hereunder or any default under the Franchise Agreement. Upon termination or expiration of this Addendum, with respect to the Branch Center, Franchisee shall comply with all post-termination obligations contained in the Franchise Agreement.

10. Assignment. Franchisee shall not have the right to Transfer any direct or indirect interest in this Addendum, unless such transfer shall occur along with a Transfer of an interest in the Center, approved by Franchisor in accordance with the terms of the Franchise Agreement. Franchisor shall have the right to transfer or assign all or any part of its rights or obligations under this Addendum to any person or legal entity, in accordance with the transfer provisions applicable to the Franchisor in the Franchise Agreement.

11. Guarantee and Assumption of Franchisee's Obligations. In consideration of Franchisor's grant of rights to Franchisee to establish and operate a Branch Center, each of Franchisee's Guarantors shall sign the Guarantee and Assumption of Franchisee's Obligations attached hereto. The execution of the Guarantee and Assumption of Franchisee's Obligations attached hereto by each Guarantor shall be a condition precedent to the effectiveness of this Addendum.

12. **Definitions.** Except as expressly provided herein, all capitalized terms in this Addendum shall have the meaning attributed to them in the Franchise Agreement.

13. **Construction.** Except as modified by this Addendum, all terms of the Franchise Agreement remain in full force and effect. The Franchise Agreement, as hereby amended, is ratified and confirmed by the parties hereto and the parties hereto acknowledge that the written Franchise Agreement as executed by the parties constitutes all of the terms of the business relationship between the parties and that there are no other prior and/or contemporaneous discussions or writings (whether described as representations, inducements, promises, agreements or any other term) between the parties which might constitute agreements, rights or obligations other than those ~~set forth in writing~~ in the Franchise Agreement, as amended by this Addendum.

14. **Miscellaneous.**

- a. **Gender and Number.** All references to gender and number shall be construed to include such other gender and number as the context may require.
- b. **Captions.** All captions in this Addendum are intended solely for the convenience of the parties and none shall be deemed to affect the meaning or construction of any provision of this Addendum.
- c. **Counterparts.** This Addendum may be executed in counterparts, and each copy so executed and delivered shall be deemed an original.

~~IN WITNESS WHEREOF, the~~The parties have duly executed, sealed and delivered this Addendum as of the day and year first above written.

WITNESS:

Name:

FRANCHISOR:
INTERSTATE BATTERY FRANCHISING
& DEVELOPMENT, INC.

By: _____
Name/Title: _____

WITNESS:

Name:-

FRANCHISEE:
{FRANCHISEE NAME}

By: _____
Name/Title: **Signor**

APPROVED:
INTERSTATE BATTERY FRANCHISING
& DEVELOPMENT, INC.

Date: _____
Dallas, Texas

Name/Title: _____

GUARANTEE AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, the execution of the Interstate All Battery Center Franchise Agreement dated as of {Date}, as amended by the Branch Addendum dated as of {Date} ("Agreement") by Interstate Battery Franchising & Development, Inc. ("Franchisor"), entered into with {FRANCHISEE NAME} ("Franchisee"), the undersigned ("Guarantors"), each of whom is an officer, director or a holder of a legal or beneficial interest in Franchisee of 10% or more, hereby personally and unconditionally: (1) guarantees to Franchisor, its affiliates, and their successors and assigns, for the Term of the Agreement and thereafter as provided in the Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant ~~set forth~~ in the Agreement and any other agreements with Franchisor and its affiliates, including any promissory notes made by Franchisee in favor of Franchisor or its affiliates; and (2) agree personally to be bound by, and personally liable for the breach of, each and every provision of the Agreement binding upon Franchisee, including, without limitation, the provisions of Sections 22, 23 and 25, and 34-42. ~~Notwithstanding the above and foregoing, the~~ The undersigned Guarantors shall not be liable for exemplary and punitive damages or for lost profits and in no event shall any individual Guarantor's total liability hereunder exceed One Million Dollars (\$1,000,000); provided, however that such limitation on total liability shall not apply to any claims or liability relating to or arising out of Franchisee's indemnification obligations contained in Section 28 of the Agreement.

Each of the undersigned waives: (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right he may have to require that an action be brought against Franchisee or any other person as a condition of his own liability; and (e) any and all other notices and legal or equitable defenses to which he may be entitled.

Each of the undersigned consents and agrees that: (i) his direct and immediate liability under this guarantee shall be joint and several; (ii) he shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (iii) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and (iv) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which shall in any way modify or amend this guarantee, which shall be continuing and irrevocable during the term of the Agreement and for so long thereafter as there are monies or obligations owing from Franchisee to Franchisor under the Agreement or other agreements with Franchisor and its affiliates. In addition, if any of the undersigned ceases to be an officer or director of Franchisee or to own any interest in Franchisee prior to termination or expiration of the Agreement, that person agrees that his obligations under this guarantee with respect to the performance of the covenants contained in Section 23.C. shall remain in force and effect for an uninterrupted and continuous period of 1 year after he ceases to own an interest in Franchisee.

~~IN WITNESS WHEREOF, each~~ Each of the undersigned has hereunto affixed his signature, under seal, as of the Effective Date of the Agreement.

GUARANTOR(S):

Date: _____

Date: _____

EXHIBIT E
STORE SYSTEM/TECHNOLOGY AGREEMENT
AND
PARTICIPATION AGREEMENT

STORE SYSTEM/TECHNOLOGY AGREEMENT

**INTERSTATE ALL BATTERY CENTER
STORE SYSTEM/TECHNOLOGY AGREEMENT**

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INTERSTATE ALL BATTERY CENTER STORE SYSTEM/TECHNOLOGY AGREEMENT

THIS STORE SYSTEM/TECHNOLOGY AGREEMENT (“Agreement”) is made on {Date} (“Effective Date”), by and between Interstate Battery Franchising & Development, Inc. a Delaware corporation, with its principal place of business at 4301 121st Street, Urbandale, Iowa 50323 (“IBFAD”), and {FRANCHISEE NAME}, a {State of Inc} corporation, with its principal place of business at {Address} (“Licensee”).

RECITALS:

A. IBFAD and Licensee have entered into a Franchise Agreement dated {Date} (“the Franchise Agreement”) pursuant to which Licensee has been granted the right to develop and operate an Interstate All Battery Center (the “Center”).

B. IBFAD has, by virtue of license, assignment or authorship, the right to distribute, to use and to license others to use certain proprietary software in the operation of Interstate All Battery Centers (the “Software”). The Software is highly customized to Interstate All Battery Centers and, among other things, records and processes sales data, accounts receivable, inventory data, financial information and new and updated customer profiles.

C. IBFAD has identified such other technology that it expects will improve the operations of the Interstate All Battery Centers.

D. Licensee requires use of the Software and such other technology in order to operate the Center.

NOW THEREFORE, in consideration of the mutual covenants, agreements and obligations ~~set forth~~ below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Grant and Term.

A. Grant. IBFAD hereby grants to Licensee, and Licensee hereby accepts, a non-exclusive license to use the Software solely in conjunction with the operation by Licensee of the Center and solely for installation at the location now specified in, or later added to, Schedule A hereto (“Specified Site”). Licensee may use and IBFAD will install, in accordance with this Agreement, the Software at each computer terminal at the Specified Site. IBFAD shall provide Licensee one copy of the documentation manuals for the Software.

B. Term. The term of this license shall be co-extensive with the term of the Franchise Agreement. In the event that this Agreement is terminated by either party, for cause or otherwise, the Software license will immediately terminate and Licensee shall immediately return all Software. Licensee shall be required to purge and destroy all confidential and/or proprietary information owned by or assigned to IBFAD or its affiliates. Further, IBFAD shall have the right, at its sole discretion, to repurchase any Hardware originally purchased by Licensee from IBFAD. Such repurchase by IBFAD will be made at fair market value, as determined on the date of termination.

2. Site License Fee.

Licensee shall pay IBFAD a one-time site license fee of \$13,000 (the “Site License Fee”). The Site License Fee is due upon delivery of the Computer System (defined in Section 4 of this Agreement) to the Specified Site. The Site License Fee is applied to each Specified Site for use by Licensee of no

more than six (6) hardware devices. To the extent Licensee requires or requests use of the Software for more than six (6) hardware devices at a Specified Site, Licensee shall pay IBFAD a one-time additional \$500 for each additional hardware device in excess of six (6) used at a Specified Site.

3. Ownership.

Licensee understands, acknowledges and agrees that Licensee neither receives nor acquires any rights in the Software other than the right to use the Software pursuant to this Agreement.

4. Hardware and Computer System.

A. Licensee Obligations. Pursuant to the Franchise Agreement, Licensee will purchase the hardware in which the Software is to be installed (“Hardware”) from IBFAD. IBFAD will, for each computer terminal at the Specified Site, configure the Hardware with the Software (the configured Hardware will be referred to as the “Computer System”) before installing the Computer System at the Specified Site.

B. Installation. IBFAD or IBFAD’s designee shall install the Computer System at the Specified Site and shall test the Computer System to ensure that the Computer System is in proper operating order. IBFAD shall not charge a separate fee for this installation and test.

5. Network Services.

A. Licensee shall execute a Network Services Agreement with a Network Service Provider designated by IBFAD. IBFAD, at its sole discretion, shall endeavor to designate and engage a nationally recognized Network Service Provider employing commercially reasonable rates that Licensee will be obliged to use for its network connectivity needs. In the event IBFAD does not designate a Network Service Provider, Licensee, with prior approval from IBFAD, shall engage a network provider to provide its network connectivity services.

B. Licensee shall strictly adhere to all the provisions of the Network Services Agreement.

C. In the event IBFAD designates and engages a Network Service Provider, IBFAD will invoice Licensee monthly for Licensee’s network connectivity costs.

D. IBFAD reserves to right to modify the content of this paragraph, including, but not limited to the selection of a network service provider and the manner in which IBFAD charges and invoices the network services.

6. Payment Processing Services.

A. Licensee shall execute a Payment Processing Services Agreement (“Processing Agreement”) with a payment processing provider (“Payment Processor”) designated by IBFAD. IBFAD, at its sole discretion, shall endeavor to designate a nationally recognized Payment Processor employing commercially reasonable rates that Licensee will be obliged to use for its payment processing services. In the event IBFAD does not designate a Payment Processor, Licensee, with prior approval from IBFAD, shall engage a Payment Processor.

B. Licensee shall strictly adhere to all the provisions of the Processing Agreement, including, but not limited to, compliance with the data security standards adopted by the PCI Security Standards Council, LLC, and all other applicable laws and regulations.

C. Licensee agrees to indemnify IBFAD and its affiliates, officers, directors, employees, and agents from any losses, liabilities, and damages of any and every kind (including, without limitation, your costs, expenses and reasonable attorneys' fees) arising out of any claim or complaint resulting from any breach of the Processing Agreement.

D. IBFAD reserves to right to modify the content of this paragraph, including, but not limited to the selection of the Payment Processor.

7. **Maintenance, Support and Upgrades.**

A. **Licensee Obligations.** Licensee shall be responsible for maintaining the Computer System in proper operating condition in compliance with the specifications in the Franchise Agreement and in the Manuals provided to Licensee pursuant to the Franchise Agreement, and for instituting and following proper security procedures to protect the Computer System from damage or deterioration. From time to time, IBFAD may develop or acquire upgrades, modifications, new releases, or other improvements to the Software and Licensee shall be obligated to use the updated Software which IBFAD designates for use by, and provides to, Licensee immediately thereafter.

B. Software Maintenance Fee.

(1) Licensee shall pay IBFAD an annual fee of \$1,200 for maintenance, support and upgrades to the Software ("Software Maintenance Fee"). The Software Maintenance Fee shall be payable in advance and is due on January 1 of each year. To extent Licensee utilizes more than six (6) hardware devices at a Specified Site, Licensee shall pay, in addition to the Software Maintenance Fee described above, an additional annual fee of \$500 for each hardware device in excess of six (6) that is used at a Specified Site. IBFAD reserves the right to make modification to the Software Maintenance Fee upon thirty (30) days written notice.

(2) Provided that Licensee has paid the required Software Maintenance Fee, IBFAD shall provide and install all updates to the Software, as needed (which installation may be accomplished via remote communication or on-site methods).

C. Help Desk & Hardware Maintenance Services.

(1) **IBFAD Obligations.** IBFAD shall provide Help Desk & Hardware Maintenance Services for all licensees that are current on their Help Desk Fee, as described in C.2. Licensee will be able to access the Help Desk & Hardware Maintenance Services by calling the designated U.S. toll free telephone number. IBFAD Help Desk representatives will provide Help Desk & Hardware Maintenance Services primarily in English; IBFAD will, however, strive to have Spanish speaking representatives available on a limited basis. Further, IBFAD will endeavor to make the Help Desk & Hardware Maintenance Support Services accessible 24 hours per day/7 days per week year-round. IBFAD, however, shall have the right, in its sole discretion and without prior notice, to modify the Help Desk & Hardware Maintenance Support Services hours.

(2) Licensee shall pay IBFAD a monthly fee of \$170 for the Help Desk & Hardware Maintenance Services ("Help Desk Fee") plus a site re-visit fee ranging from \$500 to \$900 (excluding equipment costs). The Help Desk Fee shall be payable in advance and is due on the 1st day of each month during the term of the Agreement.

a. Provided that Licensee is not in arrears with respect to the Help Desk Fee, IBFAD, through its Help Desk & Hardware Maintenance Services personnel, shall (i) provide Licensee with assistance involving software issues; (ii) provide Licensee with assistance involving hardware maintenance issues; and (iii) provide Licensee with

assistance involving network connectivity issues, if IBFAD has designated and engaged a Network Service Provider.

b. Licensee shall be assisted with hardware maintenance issues by IBFAD's designated service provider ("Hardware Servicer"). To the extent Hardware Servicer determines that Licensee requires a replacement device, Hardware Servicer will provide Licensee with replacement Hardware using expedited. Licensee is required to uninstall the faulty equipment and return the faulty equipment to Hardware Servicer using postage-paid label included in the replacement shipment. Any expense incurred to install the replacement Hardware is borne completely by Licensee.

(3) The Help Desk Fee shall entitle Licensee, during the first three (3) months after installation (the "Initial Period"), to receive assistance for up to fifteen (15) support incidents at no additional charge. During the Initial Period, should Licensee utilize the Help Desk Services for more than fifteen (15) support incidents, Licensee shall be billed \$25 for each support incident in excess of fifteen (15) reported to the Help Desk.

(4) After the Initial Period, the Help Desk Fee shall entitle Licensee to four (4) support incidents each month at no additional charge. To the extent Licensee utilizes the Help Desk Services for more than four (4) support incidents during a month, Licensee shall be billed \$25 for each support incident in excess of four (4) reported to the Help Desk.

(5) A support incident represents one or more related events affecting the operability of the Software, Network or Hardware. The determination as to whether multiple events represent one or more incidents shall be made at IBFAD's sole discretion.

(6) IBFAD reserves the right to make modifications to the Help Desk Fee, upon thirty (30) day written notice.

D. Additional Support. Licensee may obtain such additional computer support as IBFAD may offer, if any, at the fees as then prescribed at the sole discretion of IBFAD.

8. Taxes.

A. IBFAD shall provide a table of applicable tax rates as produced by IBFAD's designee for use by Licensee for the sale of products from Licensee's franchise. IBFAD shall endeavor to ensure the tax rates are in accordance with the state and local rates promulgated by the respective state, county and municipal governing bodies.

B. Licensee assumes full responsibility for compliance with all state and local tax obligations. IBFAD makes no warranty, express or implied, as to the accuracy of the tax rates provided to Licensee.

C. Any federal, state, or municipal taxes or duties levied against items sold, leased, conveyed or otherwise transferred to Licensee by IBFAD or IBFAD's designees or imposed on transactions between Licensee and IBFAD or IBFAD's designees as a result of this Agreement will be fully borne by the Licensee.

9. Confidentiality.

A. Proprietary Information. IBFAD represents and Licensee acknowledges that the Software and documentation manuals incorporate confidential and proprietary information and trade secrets owned by IBFAD and its affiliates. Further, IBFAD represents and Licensee acknowledges that

Licensee will receive certain other confidential and proprietary information owned by IBFAD, its affiliates, its business partners and/or other such designees. Licensee accordingly agrees that it will not, directly or indirectly, do any of the following at any time, during or after the term of this Agreement, without IBFAD's prior written permission: (a) copy, modify, disclose or distribute the Software, documentation manuals, or other such confidential and proprietary information (electronically or otherwise); (b) reverse engineer, decompile, decrypt, or disassemble the Software or attempt to do so; or (c) transfer, rent, lease, lend or sublicense the Software or documentation manuals to anyone for any purpose.

B. Personal Information. Licensee shall implement and maintain commercially reasonable (taking into account the nature of the information) legal, organizational, physical, administrative and technical measures and security procedures to safeguard the confidentiality of Personal Information in its possession and to prevent unauthorized access, use, duplication, modification and destruction of any Personal Information in its possession. With respect to any Personal Information in its possession, Licensee shall comply with all applicable laws governing use, protection, and disclosure of Personal Information. "Personal Information" means information by which specific individuals can be identified or information or relating to an identified or identifiable natural person (including, without limitation, names, addresses, credit card numbers, account numbers, specific items ordered, and also denominations and quantities ordered by customers and aggregate customer and/or product information if any individual person can be identified from such information) that Licensee obtains through operation of the Center.

10. Access to Data.

Licensee understands, acknowledges and agrees that IBFAD acquires and retains the sole right to any and all data obtained by Licensee involving the operation of the Center. Licensee agrees that IBFAD shall have the free and unfettered right to retrieve any data, customer information and other information from Licensee's computers as IBFAD, in its sole discretion, deems appropriate, including electronically polling the daily sales, computer information and other data of the Center. IBFAD will bear the telephonic cost of the retrieval; provided, however, that the costs of installing and maintaining the necessary dedicated telephone or data lines and service to the Specified Site shall be borne by Licensee. Licensee must backup all data on the Computer System daily and comply with any and all other operational requirements of the Franchise Agreement and the Manuals.

11. Non-Modification.

The parties contemplate that Licensee shall input financial, customer and other data and information into the Computer System. Apart from the input of such data (which will be accomplished without causing any modification to the Software), Licensee shall not modify, alter, change or otherwise vary the Software, as modified from time to time by IBFAD, after its provision or installation by IBFAD. IBFAD shall own the copyrights in any modifications to, and derivative works from, the Software made in contravention to this provision.

12. Breach.

A. Termination. Except as otherwise specified in this Section, Licensee shall have 30 days (10 days for monetary defaults) after written notice of default from IBFAD within which to remedy the default and provide evidence of that remedy to IBFAD. If any such default is not cured within that time, this Agreement shall terminate without further notice to Licensee effective immediately upon expiration of that time, unless IBFAD notifies Licensee otherwise in writing. If Licensee breaches either Section 9, 10 or 11 of this Agreement, IBFAD may terminate this Agreement immediately without providing Licensee an opportunity to cure.

B. Obligations Upon Termination or Expiration. Upon termination or expiration of this Agreement, Licensee shall promptly return to IBFAD all Software, copies of Software, and operating manuals and all other materials and information relating to the Software furnished by IBFAD. In addition, Licensee shall promptly and permanently erase all Software from the computer system and certify to IBFAD that Licensee has complied with this obligation. Further, Licensee shall be required to purge and destroy all confidential and/or proprietary information owned, assigned, or made available for use to IBFAD or its affiliates that is maintained on any Hardware device owned or leased by Licensee.

C. Injunctive Relief. Licensee recognizes that its failure to comply with the terms of this Agreement, including the failure to fully comply with the post-termination obligations, is likely to cause irreparable harm to IBFAD and Interstate All Battery Centers. Therefore, Licensee agrees that, in the event of a breach or threatened breach of any of the terms of this Agreement by Licensee, IBFAD shall be entitled to injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance, without showing or proving actual damages and without posting any bond or security. Any equitable remedies sought by IBFAD shall be in addition to, and not in lieu of, all remedies and rights that IBFAD otherwise may have arising under applicable law or by virtue of any breach of this Agreement.

13. No Warranty.

IBFAD makes no warranty, express or implied, with respect to the Software. In the event that the Software becomes defective or inoperative owing to no fault of Licensee, IBFAD's sole obligation will be to replace the same without charge. IBFAD will not be responsible for any loss of sales by Licensee during the period in which the Software is inoperative, nor will IBFAD be responsible for any loss or inaccuracy of data caused by the Software. **NEITHER IBFAD NOR ITS AFFILIATES WILL BE RESPONSIBLE TO LICENSEE OR ITS AFFILIATES FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT OR SPECIAL DAMAGES, INCLUDING LOST PROFITS, BUSINESS INTERRUPTION, OR OTHER INCIDENTAL, PUNITIVE, OR ECONOMIC DAMAGES WHATSOEVER.**

14. Assignment.

A. No Assignment by Licensee. Licensee may not directly or indirectly transfer, assign, sell, donate, lease, rent, loan, convey, translate, demonstrate, convert to another programming language (written or spoken), encumber, distribute or otherwise alienate this Agreement or the license granted herein or the Software, or any interest therein. If, with IBFAD's prior approval and consent, Licensee transfers the Center pursuant to the provisions of the Franchise Agreement, Licensee may transfer the Software and Computer System to the same transferee. IBFAD may require the transferee to enter into its then-current Store System/Technology Agreement, which may contain terms and provisions that differ from those contained in this Agreement.

B. Assignment by IBFAD. IBFAD shall have the absolute, unrestricted right, exercisable at any time, to transfer, assign, and delegate this Agreement or any part of its rights and obligations under this Agreement to any person or legal entity whatsoever.

15. General Provision.

Except as otherwise provided in this Agreement, the provisions of the Franchise Agreement concerning the Software, and governing approvals and waivers, severability and construction, applicable law and other miscellaneous provisions shall also be applicable to this Agreement, and such provisions are hereby incorporated by reference.

~~IN WITNESS WHEREOF, the~~The parties have duly executed, sealed and delivered this Agreement as of the day and year first above written.

WITNESS:

**INTERSTATE BATTERY FRANCHISING
& DEVELOPMENT, INC.**

Name/Title: _____

WITNESS:

**LICENSEE/FRANCHISEE:
{FRANCHISEE NAME}**

By: _____
Name/Title: **Signor**

SCHEDULE A
SPECIFIED SITE

Address: **{Address}**

Approximate date on which Computer System will be installed: _____

IBFAD Initials: _____ Licensee Initials: _____

PARTICIPATION AGREEMENT

Select Plus Agreement Amendment ID Y08

Proposal ID

The following terms and conditions amend the terms and conditions of the Agreement identified on the signature form, and only for purposes of this Agreement.

- A. The definition “Affiliate” in the Microsoft Business and Services Agreement, or Microsoft Business Agreement (MBA) is hereby amended by adding the following sentence:

This definition also includes a Registered Affiliate’s Franchisees that have signed Participation Agreements in the form attached as Attachment A.

- B. A new definition entitled “Franchisee” is hereby added to the Agreement as follows:

“Franchisee” means an entity with whom an Registered Affiliate has entered into a franchise agreement governing the use of the Registered Affiliate’s logos and/or trademarks and which agreement gives the Registered Affiliate, as the franchisor, the right to prescribe key aspects of the Franchisee’s operation and, if needed, to terminate them.

- C. A new subsection entitled “Including franchisees” shall be added to the Agreement as follows:

Including Franchisees. Each Franchisee shall sign a Participation Agreement (Exhibit A) which the Registered Affiliate agrees to maintain on file and make available to Microsoft upon request. An Registered Affiliate may choose to have one or more Franchisees execute their Participation Agreement electronically, provided that the Registered Affiliate warrants to Microsoft that each such Participation Agreement has been duly executed and is enforceable in accordance with its terms. The Registered Affiliate agrees to assume full responsibility for the performance of its Franchisee under this agreement.

This amendment must be attached to a signature form to be valid.

EXHIBIT A
PARTICIPATION AGREEMENT

This Participation Agreement is entered into by the party signing below (“you”) for the benefit of the Microsoft affiliate (“Microsoft”) and shall be enforceable against you by Microsoft in accordance with its terms. You acknowledge that Microsoft and _____ (“customer”) have entered into Microsoft Select Plus Agreement, No. _____ (the “agreement”), under which you desire to sublicense certain Microsoft products. As used in this Participation Agreement, the term to “run” a product means to copy, install, use, access, display, run or otherwise interact with it. You acknowledge that your right to run a copy of any version of any product sublicensed under the agreement is governed by the applicable product use rights for the product and version licensed as of the date you first run that copy. Such product use rights will be made available to you by the customer, or by publication at a designated site on the World Wide Web, or by some other means. Microsoft does not transfer any ownership rights in any licensed product and it reserves all rights not expressly granted.

I. **Acknowledgment and Agreement.** You hereby acknowledge that you have obtained a copy of the product use rights located at <http://microsoft.com/licensing/resources> applicable to the products acquired under the above-referenced agreement; you have read and understood the terms and conditions as they relate to your obligations; and you agree to be bound by such terms and conditions, as well as to the following provisions:

a. **Restrictions on use.** You may not:

- (i) Separate the components of a product made up of multiple components by running them on different computers, by upgrading or downgrading them at different times, or by transferring them separately, except as otherwise provided in the product use rights;
- (ii) Rent, lease, lend or host products, except where Microsoft agrees by separate agreement;
- (iii) Reverse engineer, de-compile or disassemble products or fixes, except to the extent expressly permitted by applicable law despite this limitation;

Products, fixes and service deliverables licensed under this agreement (including any license or services agreement incorporating these terms) are subject to U.S. export jurisdiction. You must comply with all domestic and international export laws and regulations that apply to the products, fixes and service deliverables. Such laws include restrictions on destinations, end-user, and end-use for additional information, see <http://microsoft.com/licensing/exporting>

b. **Limited product warranty.** Microsoft warrants that each version of a commercial product will perform substantially in accordance with its user documentation. This warranty is valid for a period of one year from the date you first run a copy of the version. To the maximum extent permitted by law, any warranties imposed by law concerning the products are limited to the same extent and the same one year period. This warranty does not apply to components of products which you are permitted to redistribute under applicable product use rights, or if failure of the product has resulted from accident, abuse or misapplication. If you notify Microsoft within the warranty period that a product does not meet this warranty, then Microsoft will, at its option, either (1) return the price paid for the product or (2) repair or replace the product. To the maximum extent permitted by law, this is your exclusive remedy for any failure of any commercial product to function as described in this paragraph.

c. **Free and beta products.** To the maximum extent permitted by law, free and beta products, if any, are provided “as-is,” without any warranties. You acknowledge that the provisions of this paragraph with regard to pre-release and beta products are reasonable having regard to, among other things, the fact that they are provided prior to commercial release so as to give you the opportunity (earlier than you would otherwise have) to assess their suitability for your business, and without full and complete testing by Microsoft.

d. **NO OTHER WARRANTIES.** TO THE EXTENT PERMITTED BY APPLICABLE LAW, MICROSOFT DISCLAIMS AND EXCLUDES ALL REPRESENTATIONS, WARRANTIES AND CONDITIONS, WHETHER EXPRESS, IMPLIED OR STATUTORY, OTHER THAN THOSE IDENTIFIED EXPRESSLY IN THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO

WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, SATISFACTORY QUALITY, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE PRODUCTS AND RELATED MATERIALS. MICROSOFT WILL NOT BE LIABLE FOR ANY PRODUCTS PROVIDED BY THIRD PARTY VENDORS, DEVELOPERS OR CONSULTANTS IDENTIFIED OR REFERRED TO YOU BY MICROSOFT UNLESS SUCH THIRD PARTY PRODUCTS ARE PROVIDED UNDER WRITTEN AGREEMENT BETWEEN YOU AND MICROSOFT, AND THEN ONLY TO THE EXTENT EXPRESSLY PROVIDED IN SUCH AGREEMENT.

- e. **Limitation of liability.** There may be situations in which you have a right to claim damages or payment from Microsoft. Except as otherwise specifically provided in this paragraph, whatever the legal basis for your claim, Microsoft's liability will be limited, to the maximum extent permitted by applicable law, to direct damages up to the amount you have paid for the product giving rise to the claim. In the case of Microsoft's responsibilities with respect to third party patent or copyright infringement claims, Microsoft's obligation to defend such claims will not be subject to the preceding limitation, but Microsoft's liability to pay damages awarded in any final adjudication (or settlement to which it consents) will be. In the case of free product, or code you are authorized to redistribute to third parties without separate payment to Microsoft, Microsoft's total liability to you will not exceed US\$5000, or its equivalent in local currency.
- f. **NO LIABILITY FOR CERTAIN DAMAGES.** TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER YOU, YOUR AFFILIATES OR SUPPLIERS, NOR MICROSOFT, ITS AFFILIATES OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT DAMAGES (INCLUDING, WITHOUT LIMITATION, CONSEQUENTIAL, SPECIAL OR INCIDENTAL DAMAGES, DAMAGES FOR LOSS OF PROFITS OR REVENUES, BUSINESS INTERRUPTION, OR LOSS OF BUSINESS INFORMATION) ARISING IN CONNECTION WITH ANY AGREEMENT, PRODUCT, OR FIX, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR IF SUCH POSSIBILITY WAS REASONABLY FORESEEABLE. THIS EXCLUSION OF LIABILITY DOES NOT APPLY TO EITHER PARTY'S LIABILITY TO THE OTHER FOR VIOLATION OF THE OTHER PARTY'S INTELLECTUAL PROPERTY RIGHTS.
- g. **Application.** The limitations on and exclusions of liability for damages set forth herein apply regardless of whether the liability is based on breach of contract, tort (including negligence), strict liability, breach of warranties, or any other legal theory.
- h. **Verifying compliance.** You must keep records relating to the products you run. Microsoft has the right to verify compliance with these terms and any applicable product use rights, at its expense, during the term of the agreement and for a period of one year thereafter. To do so, Microsoft will engage an independent accountant from a nationally recognized public accounting firm, which will be subject to a confidentiality obligation. Verification will take place upon not fewer than 15 days' notice, during normal business hours and in a manner that does not interfere unreasonably with your operations. As an alternative, Microsoft may require you to accurately complete its self-audit questionnaire relating to the products you use. If verification or self-audit reveals unlicensed use of products, you must promptly order sufficient licenses to permit all product usage disclosed. If material unlicensed use is found (license shortage of 5% or more), you must reimburse Microsoft for the costs it has incurred in verification and acquire the necessary additional licenses as single retail licenses within 30 days. If Microsoft undertakes such verification and does not find material unlicensed use of products, it will not undertake another such verification for at least one year. Microsoft and its auditors will use the information obtained in compliance verification only to enforce its rights and to determine whether you are in compliance with these terms and the product use rights. By invoking the rights and procedures described above, Microsoft does not waive its rights to enforce these terms or the product use rights, or to protect its intellectual property by any other means permitted by law.
- i. **Dispute Resolution; Applicable Law.** This Participation Agreement will be governed and construed in accordance with the laws of the jurisdiction whose law governs the agreement. You consent to the exclusive jurisdiction and venue of the state and federal courts located in such jurisdiction. This choice of jurisdiction does not prevent either party from seeking injunctive relief with respect to a violation of intellectual property rights in any appropriate jurisdiction. The 1980 United Nations Convention on Contracts for the International Sale of Goods and its related

instruments will not apply to this agreement or any license entered into with Microsoft or its affiliates under this agreement.

Your violation of the above-referenced terms and conditions shall be deemed to be a breach of this Participation Agreement and shall be grounds for immediate termination of all rights granted hereunder.

Dated as of the ____ day of ____, 20 ____.

CUSTOMER AFFILIATE:

By
Name
Title
Date

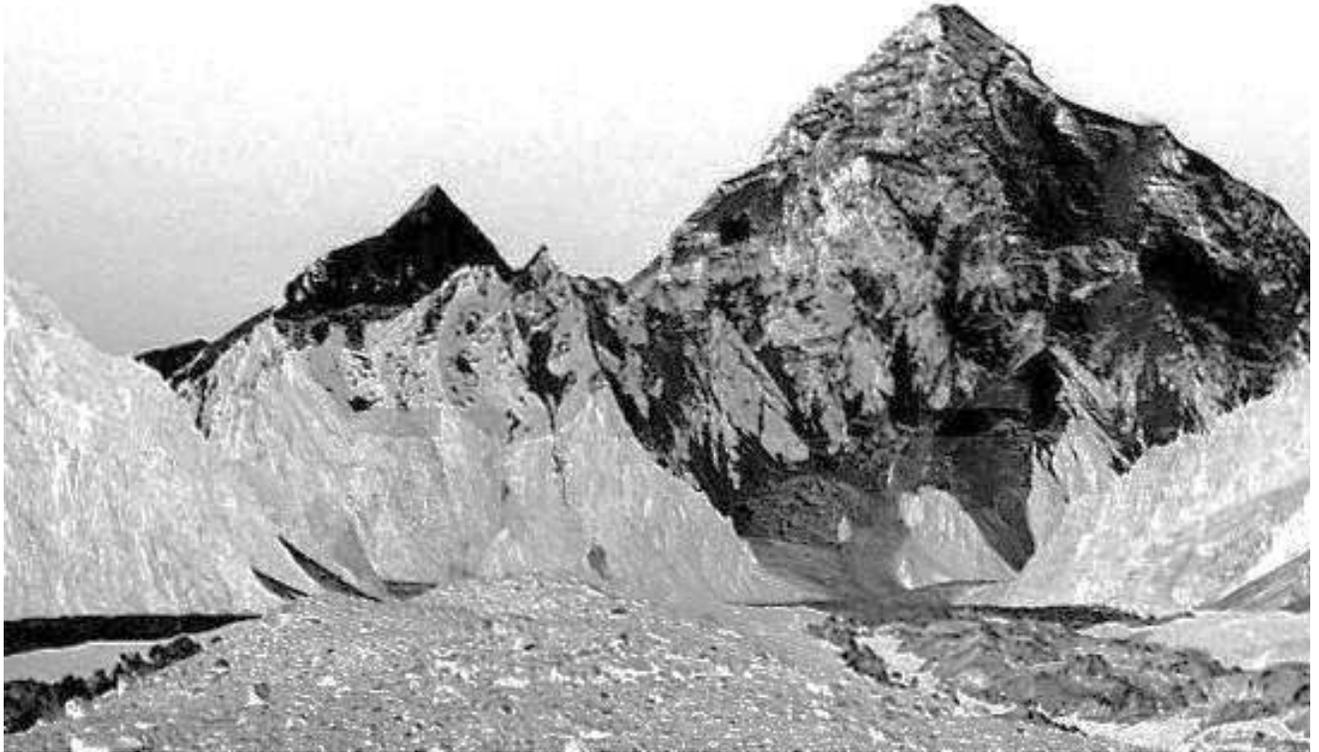


EXHIBIT F
ADDENDUM TO CONFIDENTIAL DISTRIBUTOR AGREEMENT

**FRANCHISING ADDENDUM TO
CONFIDENTIAL DISTRIBUTOR AGREEMENT**

This Franchising Addendum to the Confidential Distributor Agreement dated {CDA Date} (the "Agreement") between Interstate Battery System of America, Inc. ("Interstate") and {Distributor Corp Name} ("Distributor") is entered into as of {Date}. ~~Notwithstanding the terms and conditions of the Confidential Distributor Agreement (the "Agreement") to the contrary,~~ Interstate and Distributor hereby agree as follows:

1. FRANCHISING ALLOWED. Nothing in the Agreement shall be construed to prohibit Distributor or an individual or entity controlling, controlled by, or under common control with, Distributor from establishing or operating retail stores for the sale of batteries in the Primary Area pursuant to a written franchise agreement ("Franchise Agreement") between Interstate Battery Franchising & Development, Inc. ("Franchisor") and Distributor and/or any such individual or entity as referenced above ("Franchisee").

2. NO RIGHT TO USE FRANCHISE MARKS. Nothing in the Agreement shall be construed to permit Distributor to use or display, in connection with Distributor's activities under the Agreement, any of the trademarks, service marks or trade names licensed to Franchisee under the Franchise Agreement, except the mark "Interstate."

3. OVERRIDE. Distributor acknowledges that nothing in the Agreement requires, or shall be construed to require, Franchisee, Franchisor or Interstate to pay to Distributor any override described in paragraph 6(A) of the Agreement for any sales made by Franchisee, Franchisor, or Retail Acquisition & Development, Inc. or any of their successors or transferees in the Primary Area.

4. CROSS-DEFAULT. Paragraph 15(B) of the Agreement is amended by deleting the period at the end of part 6, and by adding "; or" at the end of part 6. Paragraph 15(B) of the Agreement is further amended by adding the following at the end of such paragraph:

7) Franchisor terminates the Franchise Agreement on the grounds of Franchisee's fraud or material misrepresentation or on the grounds of Franchisee's material breach of any provision of the Franchise Agreement relating to the protection of Franchisor's trade secrets, other confidential information, system, marks or goodwill.

5. Except as expressly modified by this Franchising Addendum, the Agreement remains unmodified and in full force and effect.

WITNESS:

**INTERSTATE BATTERY SYSTEM
OF AMERICA, INC.**

By: _____
Name: _____
Title: _____

WITNESS:

**DISTRIBUTOR:
{Distributor Corp Name}**

By: _____
Name/Title: **Signor**

EXHIBIT G
CREDIT AND SECURITY AGREEMENT

CREDIT AND SECURITY AGREEMENT

THIS CREDIT AND SECURITY AGREEMENT is entered into on {Date} between **RETAIL ACQUISITION & DEVELOPMENT, INC.**, a Delaware corporation (“RAD”); **INTERSTATE BATTERY FRANCHISING & DEVELOPMENT, INC.**, a Delaware corporation (“IBFAD”); and {FRANCHISEE NAME}, a {State of Inc} corporation (“Franchisee”). In consideration of the Interstate All Battery Center franchise granted to Franchisee by IBFAD pursuant to that certain Interstate All Battery Center Franchise Agreement dated {Date} (the “Franchise Agreement”) and/or the extension of credit by RAD to Franchisee, and other good and valuable consideration, RAD, IBFAD, and Franchisee agree as follows:

1. DEFINITIONS. In this Agreement:

A. The term “**Obligations**” refers to the following obligations that are secured by this Agreement:

(1) all amounts owed by Franchisee to IBFAD and its affiliates from time to time under the Franchise Agreement or any other agreement between Franchisee and IBFAD or any of its affiliates;

(2) all amounts owed by Franchisee to RAD from time to time arising from the purchase of products and services by Franchisee from RAD;

(3) all costs incurred by RAD or IBFAD to obtain, preserve, perfect, and enforce this Agreement and the security interest granted herein, to collect the Obligations, and to maintain, preserve, collect, and secure the Collateral (as defined below), including, but not limited to, taxes, assessments, insurance premiums, repairs, reasonable attorneys’ fees and legal expenses, rent, storage costs, and expenses of sale;

(4) all other debts, obligations, liabilities, and agreements of Franchisee to RAD and IBFAD now or hereafter arising, absolute or contingent, joint or several, secured or unsecured, due or not due, contractual or tortious, liquidated or unliquidated, arising by operation of law or otherwise, direct or indirect; and

(5) interest on the above amounts as agreed upon among the parties or, if not otherwise agreed, at a per annum rate of interest equal to the lesser of (i) two (2%) percentage points above the Prime Rate or (ii) the maximum rate of interest allowed under applicable law.

B. The term “**Collateral**” refers to the following property of Franchisee:

(1) all products sold by RAD to Franchisee;

(2) all other inventory of Franchisee whenever acquired, wherever located, and whether now or hereafter existing which is acquired by Franchisee pursuant to or in connection with the business conducted under the Franchise Agreement;

(3) all accessions, attachments, and other additions to, substitutes for, replacements for, and improvements to the foregoing;

(4) all documents, contract rights, accounts, and chattel paper, now existing or hereafter arising, with respect to the sale, lease, or consignment of any of the foregoing;

- (5) all policies of insurance covering the foregoing; and
- (6) all proceeds of any of the foregoing.

C. The term “**Prime Rate**” refers to the per annum rate of interest equal to the base rate of interest announced from time to time by First Wisconsin Bank of Milwaukee, Milwaukee, Wisconsin, as its prime rate of interest, which rate of interest may not be its lowest base rate of interest.

D. All other capitalized terms used herein but not defined above shall have the same meaning as in the Franchise Agreement.

2. SECURITY INTEREST.

Subject to the terms of this Agreement, Franchisee assigns and grants to RAD and IBFAD a security interest and lien on the Collateral to secure the payment and the performance of the Obligations.

3. INVENTORY LOCATION.

A. Franchisee represents and warrants to RAD and IBFAD as follows:

(1) Franchisee’s principal place(s) of business is/are: (include City, County, State) **{Address}, {County} County.**

(2) The Collateral will be kept at Franchisee’s principal place(s) of business.

(3) The office where Franchisee keeps the records concerning accounts and contract rights is in **{County} County, {State}.**

B. Franchisee will promptly notify RAD and IBFAD of any addition to, change in, or discontinuance of any address of Franchisee, place or places where Collateral is kept, Franchisee’s principal place of business, or location of the office where records concerning accounts and contract rights are kept.

4. RECORDS AND INSPECTIONS.

Franchisee at all times will maintain reasonable, current and accurate books and records covering the Collateral. From time to time upon the request of RAD or IBFAD, Franchisee shall deliver detailed descriptions and lists of the items included in the Collateral, as well as such other reports and information deemed by RAD or IBFAD to be necessary or appropriate to enable RAD or IBFAD to determine the value and location of the Collateral. RAD, IBFAD and their agents and representatives may inspect the Collateral and Franchisee’s records with respect to the Collateral during normal business hours.

5. TITLE.

At the time Franchisee grants to RAD and IBFAD a security interest in any Collateral, Franchisee shall be the absolute owner thereof and shall have the right to grant such security interest. Franchisee shall defend the Collateral against all claims and demands of all persons at any time claiming any interest in any of the Collateral that is adverse to RAD or IBFAD. Franchisee shall keep the Collateral free from all liens, claims, and security interests, except as to any applicable personal property taxes not yet due and the security interest created hereby.

6. FINANCING STATEMENTS.

A. Franchisee warrants that no financing statement covering the Collateral is or will be on file in any public office, except the financing statements relating to the security interest granted to RAD and IBFAD herein.

B. Franchisee shall sign all financing statements and any other papers furnished by RAD or IBFAD that are necessary in the judgment of RAD or IBFAD to obtain, maintain, and perfect the security interest granted herein and to enable RAD or IBFAD to comply with any federal or state law in order to obtain or perfect RAD or IBFAD's interest in the Collateral or to obtain the proceeds of any Collateral.

7. TAXES AND INSURANCE.

A. Franchisee will pay when due all taxes and assessments on or with respect to the Collateral for its use, operation, and maintenance.

B. Franchisee shall insure the Collateral with companies acceptable to RAD and IBFAD against such casualties and in such amounts as RAD and IBFAD shall require. All insurance policies shall be written for the benefit of Franchisee, and RAD and IBFAD as their interests may appear, or in other form satisfactory to RAD and IBFAD, and such policies or certificates evidencing the same shall be furnished to RAD and IBFAD. All policies of insurance shall provide for written notice to RAD and IBFAD at least thirty (30) days prior to cancellation. Risk of loss or damage is Franchisee's to the extent of any deficiency in any effective insurance coverage. RAD and IBFAD are each appointed Franchisee's attorney-in-fact to collect any returned or unearned premiums or the proceeds of such insurance and to endorse any draft or check payable to Franchisee therefor, and RAD and IBFAD may apply such sums to the Obligations secured herein in such order and in such manner as RAD and IBFAD in its sole discretion shall decide.

8. PROTECTION OF COLLATERAL.

A. Franchisee will keep the Collateral in good order and repair and will not waste or destroy Collateral or any part or proceeds thereof.

B. Franchisee appoints each of RAD and IBFAD as Franchisee's attorney-in-fact with full power in Franchisee's name and on Franchisee's behalf to do every act that Franchisee is obligated or allowed to do hereunder, and to exercise all rights of Franchisee with regard to the Collateral and to make collections and to execute any and all papers and instruments and to do all other things necessary to preserve and protect the Collateral and to protect RAD's and IBFAD's security interest in the Collateral; provided, however, that nothing in this Section 8.B. shall be construed to obligate RAD or IBFAD to take any action hereunder. In its sole discretion, RAD or IBFAD may undertake to perform any covenants, warranties, or actions required of Franchisee hereunder, to make payments required of Franchisee hereunder, or to pay for the repair, maintenance, and preservation of the Collateral. All sums and costs so expended, including, but not limited to, attorneys' fees, court costs, agent's fees, and commissions, shall bear interest from the date of expenditure until paid at the maximum rate of interest allowed by applicable law. All amounts due under this Section 8.B. are secured by this Agreement and shall be payable to RAD or IBFAD at its address indicated in the Franchise Agreement.

9. PAYMENT.

A. Franchisee shall make all payments required under the Note or any other agreement with RAD, IBFAD, and their affiliates in the manner and within the time period provided in the Note and such other agreements.

B. If RAD or IBFAD in its sole discretion makes any payments pursuant to Section 1.B.(4) or Section 8 hereof, or makes any payments on behalf of Franchisee to suppliers or any other parties, Franchisee agrees to pay to the order of RAD or IBFAD the amount so expended within ten (10) days after RAD or IBFAD gives notice of such expenditure to Franchisee.

C. Upon default hereunder or expiration or sooner termination of the Franchise Agreement, Franchisee agrees to pay to the order of RAD and IBFAD all amounts outstanding under the Obligations immediately upon the giving of notice by RAD and IBFAD to Franchisee.

10. DEFAULT.

The following are events of default hereunder:

- A.** Default in the timely payment of the Obligations or any part thereof; or
- B.** Default in the timely performance or observance of the terms and conditions of this Agreement, the Franchise Agreement, or of any other agreement between Franchisee and RAD or IBFAD or their affiliates; or
- C.** The occurrence of any event or condition that results in the termination of, or constitutes grounds for the termination of, the Franchise Agreement, or would so result if not prevented by applicable law; or
- D.** Any warranty, representation, or statement made or furnished to RAD or IBFAD herein, heretofore, or hereafter proves to have been false in any material respect when made or furnished; or
- E.** Loss, theft, destruction, or encumbrance of any of the Collateral in violation hereof; or
- F.** Sale or transfer of any of the Collateral, except for the sale of inventory in the ordinary course of Franchisee's business; or
- G.** Belief by RAD or IBFAD that the prospect of payment of the Obligations or performance of this Agreement or of any of the Obligations is impaired; or
- H.** Death, incapacity, dissolution, merger, consolidation, termination of existence, insolvency, or business failure of Franchisee or of any other person or entity liable on any of the Obligations; or
- I.** Commencement of proceedings for the appointment of a receiver for any property of Franchisee; or
- J.** Commencement of any proceeding under any bankruptcy or insolvency law by or against Franchisee (or any corporate action shall be taken to effect same), or any partnership of which Franchisee is a partner, or by or against any person or entity liable upon the Obligations or any part thereof, or liable upon Collateral; or
- K.** Levy on, seizure, or attachment of any property of Franchisee; or
- L.** A judgment against Franchisee becomes final and remains unpaid for thirty (30) days.

11. REMEDIES.

A. When an event of default occurs, and at any time thereafter, RAD or IBFAD, without notice or demand, may exercise any one or more of the following remedies:

(1) Declare one or more of the Obligations, in whole or in part, immediately due and may enforce payment of the same.

(2) Exercise all rights and remedies provided by this Agreement, by the Franchise Agreement, by the Texas Business and Commerce Code, or by the Uniform Commercial Code or other law or regulation regulating secured transactions of any other applicable jurisdiction.

(3) Require Franchisee to assemble the Collateral and make it available at a place to be designated by RAD or IBFAD that is reasonably convenient to Franchisee.

B. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, reasonable notification of the time and place of any public sale or reasonable notification of the time after which any private sale or other intended disposition is to be made shall be given by RAD and IBFAD to Franchisee. It is agreed that notice sent or given not less than five (5) calendar days prior to the taking of the action to which the notice relates, or such longer period of time as is required by applicable law, is reasonable notification and notice for the purposes of this Section 11.B.

C. Expenses or retaking, holding, preparing for sale or lease, selling, leasing, and the like shall include RAD's and IBFAD's reasonable attorneys' fees and legal expenses.

D. RAD or IBFAD may surrender any insurance policies upon any of the Collateral and receive the unearned premium thereon. Franchisee shall be entitled to any surplus and shall be liable to RAD and IBFAD for any deficiency. The proceeds of any disposition after default available to satisfy the Obligations shall be applied to the Obligations in such order and in such manner as RAD and IBFAD in their joint discretion shall decide.

12. MISCELLANEOUS.

A. RAD and IBFAD shall have the right at any time to execute and file this Agreement as a financing statement, but the failure to do so shall not impair the validity or enforceability of this Agreement.

B. The parties hereto do not intend to contract for, charge, or receive any interest or other charge that is usurious, and by execution of this Agreement Franchisee acknowledges that RAD and IBFAD have no such intent. In no event whatsoever, whether by reason of acceleration of maturity or otherwise, shall the amount paid or agreed to be paid to RAD and/or IBFAD for the use, forbearance, or detention of the money to be due hereunder or otherwise, or for the payment or performance of any covenant or obligation contained herein or in any other document evidencing, securing, or pertaining to any of the Obligations (all such other documents being hereinafter called the "Loan Documents"), exceed the maximum interest rate allowed by the laws of any applicable jurisdiction (hereinafter called the "Maximum Rate"). If, from any circumstance whatsoever, fulfillment of any provisions hereof or of the Loan Documents, at the time performance of such provisions shall be due, shall result in the interest to be paid exceeding the Maximum Rate, then such provisions shall be modified so that the rate of interest shall be reduced to the Maximum Rate, and if from any such circumstance RAD or IBFAD ever shall receive as interest or otherwise an amount that would cause the Maximum Rate to be exceeded, the portion of such amount that would be excessive interest shall be applied to the reduction of the principal amount owing hereunder or on account of any other principal indebtedness of Franchisee to RAD or IBFAD and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of

principal hereof and such other indebtedness, such excess shall be refunded to Franchisee. All sums paid and agreed to be paid to RAD or IBFAD for the use, forbearance, or detention of the indebtedness of Franchisee shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the whole term of such indebtedness so that the actual rate of interest on account of such indebtedness is uniform throughout the term thereof. The terms and provisions of this paragraph shall control and supersede any other provision of this Agreement or the Loan Documents.

C. All rights and remedies of RAD and IBFAD hereunder are cumulative of each other and of every other right or remedy that RAD and IBFAD otherwise may have at law or in equity or under any other contract or document for the enforcement of the security interest granted herein or the collection of the Obligations, and the exercise of one or more rights or remedies shall not prejudice or impair the concurrent or subsequent exercise of other rights or remedies.

D. Should any part of the Obligations be payable in installments, the acceptance by RAD or IBFAD at any time and from time to time of part payment of the aggregate amount of all installments then matured shall not be deemed to be a waiver of the default then existing. No waiver by RAD or IBFAD of any default shall be deemed to be a waiver of any other subsequent default, nor shall any such waiver by RAD or IBFAD be deemed to be a continuing waiver. No delay or omission by RAD or IBFAD in exercising any right or power hereunder, or under any other documents executed by Franchisee as security for or in connection with the Obligations, shall impair any such right or power or be construed as a waiver thereof or any acquiescence therein, nor shall any single or partial exercise of any such right or power preclude other or further exercise thereof or the exercise of any other right or power of RAD or IBFAD hereunder or under such other document.

E. Except as otherwise provided herein, Franchisee waives notice of the creation, advance, increase, existence, extension, or renewal of, or of any indulgence with respect to, the Obligations; waives presentment, demand, notice of dishonor, and protest; waives notice of the amount of the Obligations outstanding at any time, notice of any change in financial condition of any person liable for the Obligations or any part thereof, notice of any event of default, notice of intent to accelerate and of acceleration, and all other notices with respect to the Obligations; and agrees that maturity of the Obligations and any part thereof may be accelerated, extended, or renewed one or more times by RAD or IBFAD in its discretion, without notice to Franchisee.

F. No renewal or extension of or any other indulgence with respect to the Obligations or any part thereof, no release of any security, no release of any person (including any maker, endorser, guarantor, or surety) liable on the Obligations, no delay in enforcement of payment, and no delay or omission or lack of diligence or care in exercising any right or power with respect to the Obligations or any security therefore or guaranty thereof or under this Agreement shall in any manner impair or affect the rights of RAD or IBFAD under the law, hereunder, or under any other agreement pertaining to the Collateral. RAD or IBFAD need not file suit or assert a claim for personal judgment against any person for any part of the Obligations or seek to realize upon any other security for the Obligations before foreclosing upon the Collateral for the purpose of paying the Obligations. Franchisee waives any right to the benefit of or to require or control application of any other security or proceeds thereof, and agrees that RAD or IBFAD shall have no duty or obligation to Franchisee to apply to the Obligations any such other security or proceeds thereof.

G. This Agreement shall be binding on Franchisee and Franchisee's heirs, executors, administrators, other legal representatives, successors, and assigns and shall inure to the benefit of RAD and IBFAD, their successors and assigns. If there be more than one operating principal of Franchisee, their obligations and agreements hereunder are joint and several and shall be binding upon their respective heirs, executors, administrators, other legal representatives, successors, and assigns, and delivery or other accounting of Collateral to any one or more of them shall discharge RAD and IBFAD of all liability therefor.

H. This Agreement shall not become effective until the Franchise Agreement is approved in writing by a corporate officer of IBFAD, and this Agreement is approved by a corporate officer of RAD, whereupon this Agreement shall be effective as of the day and year first above written.

I. All demands and notices required or permitted hereunder shall be given in the same manner as provided in the Franchise Agreement.

J. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law, such provision shall be fully severable, and this Credit and Security Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part hereof and the remaining provisions of this Credit and Security Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or its severance from this Credit and Security Agreement. ~~Furthermore, in~~ In lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Credit and Security Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, or enforceable.

K. IN THE EVENT OF A DEFAULT HEREUNDER, IN ADDITION TO ALL OTHER REMEDIES AVAILABLE TO RAD OR IBFAD, EACH SHALL HAVE THE RIGHT TO ENTER UPON THE PREMISES WHERE THE COLLATERAL THAT IS INVENTORY IS LOCATED, TAKE POSSESSION OF SUCH COLLATERAL, AND REMOVE THE SAME WITH OR WITHOUT JUDICIAL PROCESS (IF SUCH TAKING WITHOUT JUDICIAL PROCESS CAN BE DONE REASONABLY AND WITHOUT BREACH OF THE PEACE), AND FRANCHISEE DOES HEREBY EXPRESSLY WAIVE ANY RIGHT TO ANY NOTICE, LEGAL PROCESS, OR JUDICIAL HEARING PRIOR TO SUCH TAKING OR POSSESSION BY RAD OR IBFAD. FRANCHISEE UNDERSTANDS THAT THE RIGHT TO PRIOR NOTICE AND HEARING IS A VALUABLE RIGHT AND AGREES TO THE WAIVER THEREOF AS A PART OF THE CONSIDERATION FOR AND AS AN INDUCEMENT TO RAD AND IBFAD TO EXTEND CREDIT NOW AND HEREAFTER TO FRANCHISEE.

FRANCHISEE ACKNOWLEDGES RECEIPT OF A SIGNED COPY OF THIS AGREEMENT.

WITNESS:

**RETAIL ACQUISITION
& DEVELOPMENT, INC.**

By: _____
Name/Title: _____

WITNESS:

**INTERSTATE BATTERY FRANCHISING
& DEVELOPMENT, INC.**

By: _____
Name/Title: _____

WITNESS:

**FRANCHISEE:
{FRANCHISEE NAME}**

By: _____
Name/Title: **Signor**

EXHIBIT H
CONFIDENTIALITY AGREEMENT

INTERSTATE ALL BATTERY CENTER CONFIDENTIALITY AGREEMENT

THIS AGREEMENT is made on {Date} (“Effective Date”), by and between Interstate Battery Franchising & Development, Inc., a Delaware corporation, with its principal place of business at 4301 121st Street, Urbandale, Iowa 50323 (“IBFAD”), and {FRANCHISEE NAME}, a {State of Inc} corporation, with its principal place of business at {Address} (“Applicant”).

RECITALS:

A. As a result of the expenditure of time, skill, effort and money, IBFAD has developed and owns a distinctive system (the “System”) relating to the development, establishment and operation of Interstate All Battery Centers (“Centers”).

B. In order to evaluate the possibility of entering into a franchise agreement with IBFAD to establish and operate a Center, Applicant and certain of its employees (“Employees”) desire to receive from IBFAD certain confidential business information including, but not limited to, the contents of the IBFAD operating and training manuals.

C. The parties desire that all confidential information concerning the Centers be kept in confidence, not be revealed to any third parties, and not be used by Applicant or its Employees other than as contemplated by this Agreement.

1. Definition of Confidential Information

As used in this Agreement, the term “Confidential Information” means any and all information that is disclosed to Applicant or Employees in connection with Applicant’s exploration of the Interstate All Battery Center franchise opportunity. Confidential Information includes, but is not limited to, information regarding the manner and methods of operating and promoting a Center, including the IBFAD operating and training manuals, information regarding the retail and commercial operations of IBFAD and its affiliates, and other information of a similar nature (whether or not reduced to writing or designated as confidential).

2. Exclusion from Definition of Confidential Information

The term “Confidential Information” does not include information that is now or hereafter becomes publicly known (other than by unauthorized disclosure, whether deliberate or inadvertent, by Applicant or Employees, or by any other person, firm or corporation affiliated with Applicant or Employees). As used in this Agreement, the phrase “publicly known” means readily accessible to the public in a written publication, and shall not include information which is available only by a substantial searching of the published literature, and information the substance of which must be pieced together from a number of different publications and sources. The burden of proving that information or skills and experience are not Confidential Information shall be on the party asserting such exclusion.

3. Treatment of Confidential Information

Applicant and Employees hereby acknowledge, understand and agree that the Confidential Information; (i) is the exclusive and confidential property of IBFAD or its affiliates and incorporates trade secrets and copyrights owned by them; (ii) gives IBFAD or its affiliates some competitive business advantage or the opportunity of obtaining such advantage, the disclosure of which could be detrimental to

the interests of IBFAD and its affiliates; and (iii) is not generally known by non-IBFAD personnel. Applicant and Employees shall at all times treat the Confidential Information in accordance with this Agreement.

4. Covenants of Applicant

As a consequence of Applicant and Employees' acquisition or anticipated acquisition of Confidential Information, Applicant and Employees will occupy a position of trust and confidence with respect to IBFAD's affairs and business. In view of the foregoing, Applicant and Employees agree that it is reasonable and necessary that Applicant and Employees agree, while this Agreement is in effect:

A. No Disclosure. Not to disclose Confidential Information to any person or entity other than its accountant or attorney as necessary to evaluate the opportunity provided by IBFAD, and to protect the Confidential Information against unauthorized disclosure using the same degree of care, but no less than a reasonable degree of care, as Applicant and Employees use to protect Applicant's confidential information.

B. No Use, Copying or Transfer. Not to use, copy or transfer Confidential Information and to protect the Confidential Information against unauthorized use, copying or transfer using the same degree of care, but no less than a reasonable degree of care, as Applicant and Employees use to protect Applicant's confidential information. This prohibition against use, copying, or transfer of Confidential Information includes, but is not limited to, selling, licensing or otherwise exploiting, directly or indirectly, any products or services which embody or are derived from Confidential Information.

These confidentiality provisions shall apply to all Confidential Information disclosed to Applicant or Employees by IBFAD prior to the date of this Agreement.

5. Return of Confidential Information

Nothing in this Agreement obligates either party to enter into a franchise agreement for the operation of a Center. If, at any time, IBFAD determines that it does not wish for Applicant to become a franchisee, or Applicant determines that it does not wish to become a franchisee, or if IBFAD requests, at any time and for any reason, that Applicant and Employees do so, Applicant and Employees agree to return immediately any and all Confidential Information, including any copies made of those materials, to IBFAD at its principal place of business. Further, Applicant and Employees agree to remove and destroy any portion of the Confidential Information that has been incorporated into other materials.

6. Miscellaneous

A. Arbitration and Governing Law. This Agreement will be governed by and construed in accordance with the laws of the state of Texas. Any dispute or controversy between the parties in connection with this Agreement shall be submitted for binding arbitration pursuant to the then-prevailing Comprehensive Arbitration Rules and Procedures of J · A · M · S/ENDISPUTE or its successor ("JAMS") and shall be conducted in Dallas, Texas at a location designated by IBFAD.

B. Injunctive Relief. ~~Notwithstanding the foregoing, it~~ is hereby understood and agreed that damages shall be an inadequate remedy in the event of a breach by Applicant or Employees of this Agreement and that any such breach by Applicant or Employees will cause IBFAD and its affiliates irreparable injury. Accordingly, Applicant and Employees agree that IBFAD and its affiliates shall be entitled, without waiving any additional rights or remedies otherwise available to IBFAD at law or in equity or by statute, to injunctive and other equitable relief in the event of a breach or intended or threatened breach by Applicant or Employees.

C. Severability. If any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if such provision(s) had never been contained herein, provided that such provision(s) shall be curtailed, limited or eliminated only to the extent necessary to remove the invalidity, illegality or unenforceability.

D. Waiver. No waiver by IBFAD of any breach by Applicant or Employees of any of the provisions of this Agreement shall be deemed a waiver of any preceding or succeeding breach of the same or any other provisions hereof. No such waiver shall be effective unless in writing and then only to the extent expressly ~~set forth~~ in writing.

E. Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to Applicant and Employees' confidentiality, nondisclosure and non-competition obligations until such time as the parties enter into a Franchise Agreement.

~~IN WITNESS WHEREOF, the~~ The parties hereto have executed this Agreement as of the date ~~set forth~~ above.

**INTERSTATE BATTERY FRANCHISING
& DEVELOPMENT, INC.**

**APPLICANT:
{FRANCHISEE NAME}**

By: _____
Name/Title: _____

By: _____
Name/Title: **Signor**

{Address}

EMPLOYEES:

Signature

Signature

Print Name

Print Name

Address

Address

EXHIBIT I
ADDITIONAL STATE-REQUIRED INFORMATION

**INFORMATION REQUIRED
BY THE STATE OF CALIFORNIA**

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 DISCLOSURE DOCUMENT.
2. IBFAD's URL address is www.allbatteryfranchise.com. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dba.ca.gov www.dbo.ca.gov.

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

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

4. **Item 17, Additional Disclosures.** The following are added to Item 17 of the Disclosure Document:

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

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101 *et seq.*).

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.

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

The Franchise Agreement requires binding arbitration in Texas. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

[If the franchise agreement contains a liquidated damages clause, under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.](#)

[The franchise agreement contains a provision requiring litigation to occur in Texas. This provision may not be enforceable under California law.](#)

The franchise agreement requires the parties to waive any and all rights to a trial by jury in the event of litigation. This provision may not be enforceable under California law.

The franchise agreement requires application of the laws of Texas. This provision may not be enforceable under California law.

INFORMATION REQUIRED BY THE STATE OF ILLINOIS

1. **Item 5, Additional Disclosures.** The following is added to Item 5 of the Disclosure Document:

Owing to the debt-to-equity ratio reflected in our financial statements, the Illinois Attorney General's Office requires that the initial license fee of Illinois franchisees be placed in escrow with an Escrow Agent designated by IBFAD until the Center opens. The Escrow Agreement between us and the Escrow Agent is on file with the Illinois Attorney General, and we will provide a copy to you on request. When your Center opens, the Escrow Agent will release the escrowed funds to us. You must cooperate to authorize the disbursement of the escrowed funds.

2. **Item 17, Additional Disclosures.** The following are added to Item 17 of the Disclosure Document:

The conditions under which your Franchise Agreement can be terminated and your rights upon non-renewal may be affected by Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Pursuant to Section 4 of the Illinois Franchise Disclosure Act, any provision in the Franchise Agreement that designates jurisdiction or venue for litigation in a forum outside of Illinois is void. In addition, the Illinois Franchise Disclosure Act will govern the Franchise Agreement with respect to Illinois franchisees.

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

INFORMATION REQUIRED BY THE STATE OF MARYLAND

1. **Item 17, Additional Disclosures.** The following are added to Item 17 of the Disclosure Document:

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 *et seq.*).

The general release required as a condition of renewal, sale or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

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

Any choice of forum for litigation is subject to your right to bring an action under the Maryland Franchise Registration and Disclosure Law in Maryland.

The representations and acknowledgments contained in this Agreement are not intended to, and will not, act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

~~Each provision of these Additional Disclosures will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of~~ A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law ~~are met independently without reference to these Additional Disclosures.~~

INFORMATION REQUIRED BY THE STATE OF MICHIGAN

1. State Cover Page, Additional Disclosures. The following is added to the cover page of the Disclosure Document:

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.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition of 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 the Michigan Franchise Investment Law. 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. **[Note: IBFAD reserves the right to challenge this requirement of Michigan law as it applies to arbitration under the Federal Arbitration Act.]**

(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.

Any questions regarding this Notice shall be directed to the Department of Attorney General, Consumer Protection Division, 670 Law Building, 525 West Ottawa Street, Lansing, Michigan 48913 (517) 373-7117.

INFORMATION REQUIRED BY THE STATE OF MINNESOTA

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

The Minnesota Department of Commerce has required us to place initial fees of Minnesota franchisees in escrow with an Escrow Agent designated by IBFAD until the Center opens. When your Center opens, the Escrow Agent will release the escrowed funds to us. You must cooperate to authorize the disbursement of the escrowed funds.

2. **Item 13, Additional Disclosure.** The following statement is added to Item 13:

~~Notwithstanding the foregoing, we~~We will indemnify you against liability to a third party resulting from claims that your use of the Marks infringes trademark rights of the third party; provided that we will not indemnify against the consequences of your use of the Marks unless the use is in accordance with the requirements of the Interstate All Battery Center Franchise Agreement and the System.

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

With respect to franchises governed by Minnesota law, IBFAD will comply with Minnesota statutes section 80C.14, subdivisions 3, 4, and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Interstate All Battery Center Franchise Agreement.

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring you to waive your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

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

Minnesota Rule 2860.4400J prohibits us from requiring you to waive your rights to a trial or to consent to liquidated damages, termination penalties, or judgment notes; provided, that this part will not bar a voluntary arbitration of any matter if the proceeding is conducted by an independent tribunal under the rules of the American Arbitration Association.

INFORMATION REQUIRED BY THE STATE OF NEW YORK

1. **State Cover Page, Additional Disclosures.** The following is added to the State Cover Page:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IMMEDIATELY BELOW OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE AGREEMENT BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE NEW YORK STATE DEPARTMENT OF LAW BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NY 10271.

IBFAD MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, IBFAD CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON YOU TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE ~~SET FORTH~~ IN THIS PROSPECTUS.

2. **Item 3, Additional Disclosures.** The last sentence in Item 3 is deleted and replaced with the following language:

Except as described above, neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, has any administrative, criminal, or a material civil or arbitration action pending against him alleging a violation of any franchise law, antitrust law, securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, has been convicted of a felony or pleaded nolo contendere to any other felony charge or, during the ten-year period immediately preceding the application for registration, been convicted of a misdemeanor or pleaded nolo contendere to any misdemeanor charge or been found liable in an arbitration proceeding or a civil action by final judgment, or been the subject of any other material complaint or legal or arbitration proceeding if such misdemeanor conviction or charge, civil action, complaint, or other such proceeding involved a violation of any franchise law, antitrust law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property, or comparable allegation

Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, is subject to any currently effective injunctive or restrictive order or decree relating to franchises, or under any federal, state, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law as a result of 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.

Other than the action(s) described above, no litigation must be disclosed in this Item.

4. **Item 4, Additional Disclosures.** Item 4 is deleted and replaced with the following:

Neither we nor any of our predecessors, affiliates or officers, during the 10-year period immediately before the date of the Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchiser held this position in the company or partnership.

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

We use initial license fees to defray our costs of offering franchises and assisting developers and franchisees to start business. A portion of initial license fees may be profit to us.

6. **Item 17, Additional Disclosure.** The first two sentences in Item 17, “Renewal, Termination Transfer and Dispute Resolution,” are deleted and replaced with the following language:

This table lists certain important provisions of the Interstate All Battery Center Franchise Agreement and related agreements pertaining to renewal, termination, transfer and dispute resolution. You should read these provisions in the agreements attached to this Disclosure Document.

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

IBFAD will not assign its rights under the Franchise Agreement, except to an assignee who in IBFAD's good faith judgment is willing and able to assume IBFAD's obligations under the Franchise Agreement.

The New York Franchises Law requires that New York law govern any cause of action which arises under the New York Franchises Law.

The New York General Business Law, Article 33, Sections 680 through 695 may supersede any provision of the Franchise Agreement inconsistent with that law.

You must sign a general release upon renewal or transfer of the Franchise Agreement. These provisions may not be enforceable under New York law.

IBFAD's right to obtain injunctive relief exists only after proper proofs are made and the appropriate authority has granted such relief.

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

**INFORMATION REQUIRED
BY THE STATE OF NORTH DAKOTA**

1. **Choice of Law and Choice of Forum.** Items 17(v) and (w) are amended by adding the following sentence:

Pursuant to the North Dakota Franchise Investment Law, any provision requiring Interstate All Battery Center franchisees to consent to the jurisdiction of courts outside North Dakota or to consent to the application of laws of a state other than North Dakota is void.

2. **Covenants Not to Compete.** The following sentence is added to the end of Item 17:

Covenants not to compete will be subject to Section 9-08-06, N.D.C.C.

3. **General Release.** The following sentence is added to the end of Item 17:

The requirement that a franchisee sign a general release on renewal of the franchise agreement does not apply to any claims that the franchisee may have under the North Dakota Franchise Investment Law.

4. **Waiver of Trial by Jury.** The following sentence is added to the end of Item 17:

The requirement that a franchisee consent to the waiver of trial by jury is unenforceable under North Dakota law.

**INFORMATION REQUIRED
BY THE STATE OF RHODE ISLAND**

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

Pursuant to Section 19-28.1.-14 of the Rhode Island Franchise Investment Act, a provision in a franchise agreement restricting jurisdiction or venue for litigation to a forum outside of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Act.

**INFORMATION REQUIRED
BY THE STATE OF WASHINGTON**

1. **Item 17, Additional Disclosures.** The following is added to Item 17 of the Disclosure Document:

Washington requires IBFAD to state that in any arbitration involving an Interstate All Battery Center located 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. However, IBFAD does not, by including this statement, waive its right to challenge this requirement of Washington law under the Federal Arbitration Act.

In the event of a conflict of laws between the Washington Franchise Investment Protection Act and the state law chosen in the Interstate All Battery Center Franchise Agreement, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

A release or waiver of rights executed by an Interstate All Battery Center franchisee will not include rights under the Washington Franchise Investment Protection Act, except when executed pursuant to a negotiated settlement after the Interstate All Battery Center Franchise Agreement is in effect and where the parties are represented by independent counsel. Provisions such as those that unreasonably restrict or limit the statute of limitations period for claims under the Act, 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 IBFAD's reasonable estimated or actual costs in effecting a transfer.

EXHIBIT J
LIST OF FRANCHISEES

Interstate All Battery Centers Franchised Locations

As Of April 30, ~~2013~~2014

Owner	PUBLISHED Address	City	State	Zip Code	Phone	Owner
Brian-Benning	11216 156th Street NW	Edmonton	AB	T5M 1Y3	(780) 454-4343	Carol Benning
Vern Monette	7740 Schoon-Street	Anchorage	AK	99518	(907) 349-1577	
David & Amy-Williams	105 Wilson Street	Dothan	AL	36304	(334) 793-2419	Brian Garrett
Andy Roberson	No-location-yet	Orange Beach	AL	36564	(251) 974-3300	
Marney-Gilmore	2820 E.-Nettleton, Nettleton Ave.	Jonesboro	AR	72401	(870) 275-7646	Chris Gilmore
Brian Strait	2020 Lantrip Road	Sherwood	AR	72120	(501) 834-5100	Brian Strait
Billy Kann	No-location-yet	Gilbert	AZ	85233	(480) 962-3800	
Dave-Walworth	1170 N. Estrella Pkwy Ste A104	Goodyear	AZ	85338	(623) 939925-61802235	Brett Gudeman
Dave-Walworth	8582 N 91st Avenue	Peoria	AZ	85345	(623) 939-6180	Angie Shipman
Billy Kann	1427 West Broadway Road	Mesa	AZ	85202	(480) 962-3800	Josh Reece
Dave-Walworth	17173 N. Litchfield Rd.	Surprise	AZ	85374	(623) 584-1300	Charles Kinslow
Ron-Cummings	450 Fletcher-Parkway311 Banks Road	El-CajonKelowna	CABC	92020V1X6A1	(858250) 271860-50033444	Jennifer King
Steve Mead	25845-Railroad7032 University Ave-#3	SantaLa ClaritaMesa	CA	9135091942	(661619) 259797-03651233	Joe Irizarry
Sassan Behnam	570 W. El-Camino Real	Redwood City	CA	94063	(408) 888-2285	
Sassan Behnam	No-location-yet	Monte-Sereno	CA	95030	(408) 888-2285	
Haley-Howard	34300 Monterey Ave	Palm Desert	CA	92211	(760)775-328-60278500	Haley Stewart
Michael-Gorbridge	3704 Pell-Circle570 W. El-Camino Real	SacramentoRedwood City, CA	CA	9583894063	(916650) 921839-60746000	John DeGroot
Mark-Katsikaris	444 N.-Waterman-Avenue1730 South E Street	San Bernardino	CA	9241092408	(909) 381-2082	Mark Katsikaris
Ron-Cummings	9345 Cabot Drive	San Diego	CA	92126-6304	(858) 271-5003	John Pelak
Rod Hansen	460 Madera Street	San Gabriel	CA	91778	(626) 282-0363	Carter Hansen
Richard-Multanen	211 Phelan Avenue	San Jose	CA	95112	(408) 295-9046	Keith Zachary
Bill-Gehring	2321-Pontius25845 Railroad Avenue	LosSanta AngelesClarita	CA	90064-180991350	(310661) 445259-32470365	Steve Mead
	3315 Industrial Drive	Santa Rosa	CA	95403	(707) 546-9907	Neil Rutland
Larry-Burke	822 Berry Court	Upland	CA	91786	(909) 982-1137	Carl Barrett
Larry-Farnworth	7327 Whittier Avenue	Whittier	CA	90602	(562) 698-8043-9800	Larry Farnworth
Sean-Meoldy	16710 E. East Quincy Ave	Aurora	CO	80015	(720303) 431699-10065223	Sean Melody
Steve-Kovac	5230 North Nevada Ave	Colorado Springs	CO	80918	(719) 528-7103	Steve Kovac

(626)-282-

	122 Tracker Dr.	Colorado Springs	CO	80921	(719) 488-2522	Steve Kovac
Michael-Johnston	300 Willow Street	Fort Collins	CO	80524	(970) 484-1307	Michael Johnston
Brian-Thieszen	2486 Commerce Boulevard-Unit-D	Grand Junction	CO	81505	(970) 434-4237	Brian Thieszen
Pete-Horacek	5801 East County Line Place	Highlands Ranch	CO	80126	(303) 771-1107	Pete Horacek
Robert-Judge	150 Route 80 No location yet	KillingworthBridgeport	CT	641906605	(860)203 563368-42422300	Larry Judge
Robert-Judge	425 Homestead Ave.	Hartford	CT	611206112	(860) 563 -1242	Robert Judge
	150 Route 80	Killingworth	CT	06419	(860) 663-3005	Graig Judge
Stan-Kirk	38-Albe Dr,- Suite 10203 Gabor Drive	Newark	DE	1970219711	(302) 292-1250	Stan Kirk
Juan-Vento	Autopista-Joaquin-Balaguer-Km1Avenida 27 de Febrero, Manzana 719	Santiago	DR		(809) 575-7533	Charles Fernandez
		Santo Domingo	DR		(809) 575-7533	Javier Vento
Chip-Loyd	806 Mason AveAvenue	Daytona Beach	FL	32117	(386) 252-5909	Debbie Loyd
Chris-Bauer	11655 Phillips HwyHighway	Jacksonville	FL	32256	(904) 730-2221	Chris Bauer
	1620 Margaret St.	Jacksonville	FL	32204	(904) 730-2221	Chris Bauer
Gig-Gigowski	2855 Highway-92 E	Lakeland	FL	33801	(863) 666-8787	Josh Henson
Natalio-Ghitelman	54015419 N. University Dr.	Lauderhill	FL	33351	(954) 748-7175	Ruben Rimeris
Ruben-Fimires	No location-yet8298 Bird Rd	Miami	FL	3310733155	(305) 987513-61654228	Javier Montalvan
Chris-Bauer	223 Blanding-Bldv.	Orange Park	FL	32073	(904) 730-2221	
Dan-Loyd	1950 W. State Road 426	Oviedo	FL	32765	(407) 977-8886	Blake Rosenbaum
Bob-& Sherry-Rice	2543 W. Tennessee Street	Tallahassee	FL	32304	(850) 580-5545	Bob Rice
	8445 Honore Avenue	University Park	FL	34201	(941) 822-8133	Damon Gilliland
Dan-& Andrea-Milton	Highway 82 East	Brookfield	GA	31727	(229) 382-4739	Dan Milton
Mat Buzzelli	4250 Roswell-Road	Marietta	GA	30062	(770) 222-7880	
Mat Buzzelli	No location-yet	Acworth	GA	30101	(678) 570-3172	
Mat Buzzelli	5886 Wendy-Bagwell-Parkway	Hiram	GA	30144	(770) 222-7880	
Chris-Ronson	213 Rose Dr-	Brunswick	GA	31520	(912) 264-1460	Kelly Lanier
	5886 Wendy Bagwell Parkway	Hiram	GA	30141	(770) 222-7880	Kevin Drummond
	4250 Roswell Road	Marietta	GA	30062	(770) 509 -7600	Casey Hesse
	1815 E Victory	Savannah	GA	31404	(912) 349-3385	Chris Ronson
Terry-Thach	190 Buford Highway	Suwanee	GA	30024	(770) 945-2686	Trent Thach
Matt-Breen	220 Airport	Ames	IA	50010	(515) 232-7101	Michael Olson

	Road						
Matt Breen	5240 Edgewood Dr Rd NE	Cedar Rapids	IA	52411		(319) 362-8330	Julie Coleson
	1709 2nd St	Coralville	IA	52241		(319) 354-0217	Steve Gibson
Tom Ferry	3130 Line Drive	Sioux City	IA	51106		(712) 252-2767	Lynn Reed
	1090 73rd Street	Des Moines	IA	50311		(515) 255-9572	Paul Prueitt
	1800 W. Franklin Road	Meridian	ID	83642		(208) 887-3696	Rich Bigelowe
Tom Honnold	4545 W Chinden Blvd	Boise	ID	83714		(208) 323-3696	Patrick Shippy
Tom Honnold Jr.	1800 W. Franklin Road	Meridian	ID	83642		(208) 887-3696	
Tom Honnold Jr.	2704 5205 E Cleveland Boulevard	Caldwell	ID	83605 83607		(208) 454-3696	PJ McLaughlin
Steve Chaney	1115 E. Lafayette	Bloomington	IL	61701		(309) 663-5911	Steve Chaney
David Absher	250 S Kinzie Ave	Bradley	IL	60915		(815) 802-1083	
Ron Zehr & Mark Martinez	2504 N. Mattis Avenue	Champaign	IL	61826 61822		(217) 355-4855	Mark Martinez
Billy Beechy	16220 S. Crawford Avenue	Country Club Hills	IL	60478		(708) 333-2580	Billy Beechy
Tom Elliott	333-A West State Road	Island Lake	IL	60042		(847) 487865-1009 5322	Chris Fiegel
Ted Elliott	1160 Flex Ct. Court	Lake Zurich	IL	60047		(847) 726-0407	Tod Elliott
Wayde Beechy	10336 South Cicero Ave	Oak Lawn	IL	60453		(708) 424-2288	Ted Golebiowski
Greg Longfellow	4530 N. Brandywine Dr Drive	Peoria	IL	61614		(309) 681-8694	Jake Hagerdorn
Ed Sterling	23841 West Aero Court 11912 South Spaulding School Dr.	Plainfield	IL	60585		(815) 436-4787	Ed Sterling
Steve Leigh	101 North 48th St. Street	Quincy	IL	62305		(217) 214-1069	Jake Leigh
	4704 44th Street	Rock Island	IL	61201		(309) 788-5677	Matt Gibson
Rick & Heidi Britton	5175 American Road	Rockford	IL	61109-6310		(815) 874-7030	Rick Britton
Dan Spata	8056 N. Central Park	Skokie	IL	60076		(847) 673-6993	Jim Demos
Steve Kostechka	362 Balm Court	Wood Dale	IL	60191-1253		(630) 833-3696	Steve Kostechka
Dennis McDaniel	10730 E US 36 Hwy	Avon	IN	46123		(317) 209 - 9880	Jeremy Owens
Cheryl Reiter	3301 West Jonathan Dr Drive	Bloomington	IN	47404		(812) 334-2102	Tom Reiter
Dennis McDaniel	1945 East Stop 13 Rd	Indianapolis	IN	46227		(317) 559 -1018	Josh McDaniel
Dennis McDaniel	6848 East 21st Street	Indianapolis	IN	46219		(317) 322-1818	Joshua McDaniel
	4686 South US Highway 41	Terre Haute	IN	47802		(812) 233-8711	Tommy Reiter
Kevin Elliot	229 East State Street	West Lafayette	IN	47906		(765) 746-0520	Ryan Elliot
Dean Opstad	929 SW University Boulevard Suite	Topeka	KS	66619-0302		(785) 862-2393	

(800) 745-

1A							
Jim Wilson	5530 East Central	Wichita	KS	67208	(316) 691-8111	Mike Primm	
Jim Wilson	2130 North Tyler	Wichita	KS	67212	(316) 722-2860	Mike Primm	
Mike Sawyer	1831 Blankenbaker Parkway	Louisville	KY	40299	(502) 297-8600	Mike Sawyer	
Mitchell Moss	721 S. South 12th	Murray	KY	42071	(270) 753-6677	Mitchell Moss	
Shane Hussong	2107 Bowie Drive	Alexandria	LA	71301	(318) 443-0354	Shane Hussong	
Reynolds-Bromley	3154 College Drive	Baton Rouge	LA	70808	(225) 389-6649	Quinton Light	
	1539 MLK Blvd. Suite 115	Houma	LA	70360	(985) 262-4166	DJ Clements	
Paul Duplantis	601 S. Al Davis Road 110 West Airline Highway	Jefferson Kenner	LA	7012370062	(504) 734-7500	Paul Duplantis	
Don Atkins	300 East Amedee Drive	Scott	LA	70583	(337) 233-7070	Don Atkins	
	No location yet	Lafayette	LA	70506	(337) 298-7094	Jodie Parker	
Nate Stawieki	139 Washington Street, (Rt. 20)	Auburn	MA	150401501	(508) 791-7904	Keith Anyon	
Daniel Schmitz	95 Shawmut Rd.	Canton	MA	02021	(781) 647-7973	Peter Simonsen	
Mike St. Don	154 Faunce Corner Road	North Dartmouth	MA	02747	(508) 991-8019	Walter Machado	
	421 New State Hwy	Raynham	MA	02767	(774) 501-1551	Mike St. Don	
Mike St. Don	79 Swansea Mall Drive	Swansea	MA	02777	(508) 678-1188	Brad Maxfield	
	1030 Main St Unit #10	Waltham	MA	02451	(781) 647-7973	Daniel Schmitz	
Kurt Reslow	30 Nashua Street	Woburn	MA	180401801	(781) 932-0076	Brett Reslow	
Mike St. Don	484 Station Ave.	S Yarmouth	MA	266402664	(508) 394-9400	Nelson Almeida	
Doug Elms	7445 E Furnace Branch Rd	Glen Burnie	MD	21060	(443410) 250768-84144469	Doug Elms	
Leon Taylor	30491 Potomac Way Rd	Mechanicsville	MD	20659	(301) 884-5405		
Jeff Anderson	423 E Chicago Street	Coldwater	MI	49036	(517) 279-1029		
Jeff Anderson	2222 S. Main St.	Ann Arbor	MI	48103	(734) 222-4055	Jeff Anderson	
	638 E Chicago Rd	Coldwater	MI	49036	(517) 279-1029	Jeff Anderson	
Jeff Anderson	3515 Stadium Drive	Kalamazoo	MI	49008	(269) 488-6587	Erin Anderson	
Craig LaCount	No location yet	Apple Valley	MN	55124	(952) 322-2214		
Dan Hartel	335 East 78th St Street	Bloomington	MN	55420	(952) 345-1190	Dan Bervig	
Dan Hartel	410 Co Rd 42 West	Burnsville	MN	55337	(952) 435-6999	Aaron Paterson	
Dan Hartel	3560 NW Main Street	Coon Rapids	MN	55448	(763) 421-4040	Charlie Teiken	
	1661 Miller Trunk Highway	Duluth	MN	55811	(715) 392-3710	Bob DeSmedt	
Craig LaCount	582 Prairie Center Dr.	Eden Prairie	MN	55344	(952) 412941-63210141	Peter LaCount	
	2410 N. Broadway	Rochester	MN	55906	(507) 282-6365	Justin Snedden	
	100 Brickton Road	Columbia	MO	65201	(573) 303-0542	Jim Wahls	
Gary Harris	2670 Highway-67910 East	Farmington	MO	63640	(573) 756-5380	Gary Harris	

	Karsch						
Ron & Kyle Jackson	10303 SE State Route 31	Gower	MO	64454	(816) 424-3883	Kyle Jackson	
David Fiestler	2031 Zumbahl Rd.	St. Charles	MO	63303	(636) 724-7500	Derek Adams	
	243 Highway 51	Ridgeland	MS	39157	(601) 898-1200	Robert Young	
Steve Groce	301 S 24th St W	Billings	MT	59102	(406) 839-9111	Steve Groce	
Cal Wester	1712 Third West Oak St NW #103	Great Falls Bozeman	MT	5940459718	(406) 761-4236	Cal Wester	
Cal Wester	No location yet 1712 3rd St NW	Helena Great Falls	MT	59404	(406) 761-8184 4236	Cal Wester	
Al Snelgrove	593 St. George Blvd	Moncton	NB	E1E 2C2	(506) 386-6777	Melissa Roberts	
Paul Anderson	990 Patton Ave	Asheville	NC	28806	(828) 258-7400		
Jeff Smith	No location yet 1045 Smokey Park Highway	Clemens Candler	NC	28715	(704) 828 979633-34302660	Cindy Plemmons	
Jeff Smith	8605 Concord Mills Blvd	Concord	NC	28027	(704) 979-3430	Dave Lankheet	
Bill Hetzel	1901 E. Cone Blvd	Greensboro	NC	27405	(336) 504375-52479129	Bill Hetzel	
Scott McDade	2117 Catawba Valley Blvd. SE	Hickory	NC	28602	(828) 322-5594	Scott McDade	
Jeff Smith	No location yet	New London	NC	28127	(336) 461-9551		
Jeff Haddock	5109 Highway 74 W	Monroe	NC	28110	(704) 289-8166	Chad Helms	
	901 E. Main Avenue	Bismarck	ND	58501	(701) 221-2400	Hugh McIntyre	
Paul Anderson	259 Industrial Park Road 4430 17th Avenue S.	Waynesville Fargo	NC ND	2878658103	(828) 701 454293-19268000	Kelly Mangin	
Lee Danhauer	920 N. Diers Avenue	Grand Island	NE	68803	(308) 384-0551	Brandon Marshal	
John Cyr	31 Columbia Circle 52 Daniel Webster Highway	Merrimack	NH	305403054	(603) 424-8245	John Cyr	
Bob Sherman	10701 Corrales Road NW	Albuquerque Albuquerque	NM	87114	(505) 897-9500	Bob Sherman	
Steve Rands	1533 W Sunset Rd. Suite A2	Henderson	NV	89014	(702) 228-2225	Marcia Rands	
Steve Rands	4151 W. Oquendo Road	Las Vegas	NV	89117-3004	(702) 736-1825	Steve Rands	
Steve Rands	No location yet 4035 S Durango Drive	Las Vegas	NV	89147	(702) 736564 -18252751	Marcia Rands	
	No location yet	East Amherst	NY	14051	(716) 689-2193	Keith Terryberry	
Brian Judge	161 25th St	Brooklyn	NY	11232	(718) 965-9882	Pat Fowler	
John Knowles	3312 State Route 352	Corning	NY	14830	(607) 562-3555	John Knowles	
Todd Winder	1445 Military Road	Kenmore	NY	14217	(716) 873-4462	Rick Kirst	
Don Spano	10 John Walsh Boulevard	Peekskill	NY	10566	(914) 737-6681	Don Spano	
	43-05 39th St	Sunnyside	NY	11104	(718) 545-6002	Mike Hansraj	
Jim Boyatzies	391 Clay Road	Rochester	NY	14623	(585) 359-3150	Bernadette Boyatzies	

(866)-377

Der Spano	43-05 39th St	Sunnyside	NY	11104	(718) 545-6002	
Dave Lewis	393 N. Collingwood Avenue	Syracuse	NY	13206	(315) 437-9075	Jeff Smith
	994 W. 5th Avenue	Columbus	OH	43212	(614) 360-2372	Jason Wooldridge
Jim Kenny	5777 Westerville Rd	Columbus	OH	43081	(614) 890-1585	Mark Zimmerer
Mick Box	No location yet	DelawareWorthington	OH	4301543085	(614) 554389-19482061	Jason Wooldridge
Jeff Smith	4816 Milan Rd.	Sandusky	OH	44870	(419) 502-0046	Jeromy Striker
Mark Smiling	No location yet 5601 W Owen K Garriott	MuskogeeEnid	OK	7440173703	(918) 580 274237-38007633	Jarrod Rowland
Steve Terry	1065 36th Avenue NW	Norman	OK	73072	(405) 701-1313	Ian Terry
Mike Ellis	6920 N. Broadway Extension	Oklahoma City	OK	73116	(405) 634-3699	Chuck Huffman
	7703 N Owasso Expressway	Owasso	OK	74055	(918) 274-3800	Kim Daniels
	8007 East 61st Street	Tulsa	OK	74133	(918) 270-1384	Todd Grego
	3077 Mavis Road	Mississauga	ON	L5C 1T7	(905) 949-1818	Steve Johnson
James Locke	171 MacFarlane Road	Ottawa	ON	K2E 6V4	(613) 798-9700	Tony Phillips
Dennis Taillefer	2333 Regent Street South #32302 Algonquin Road	Sudbury	ON	P3E 4Z6K7	(705) 522-9113	Denis Taillefer
Tim Bauman	7835 Highway 50, Unit 14-81550	Woodbridge	ON	L4L 1A5	(905) 264-0080	Steve Johnson
Craig Smith	894 South Front Street	Central Point	OR	97502	(541) 664-3417	Craig Smith
Sam Lewis	650 Seneca Rd	Eugene	OR	97402	(541) 302-6176	Chad Newman
Annette Fernald	1225 NE 48th Ave	Hillsboro	OR	97124	(503) 693-1033	Matt Wessman
Sam & Jennifer Lewis	84295 Hill Top Drive 9710 SE Washington St	Pleasant HillPortland	OR	9745597216	(541) 503 302258 -6176 8888	Jim Paul
	4794 SW 76th Ave	Portland	OR	97225	(503) 252-3400	Justin Meengs
Art Corrie & Clayton Watson	1495 Route 405 Hwy	Hughesville	PA	17737	(570) 584-2996	Gabe Gush
Tom Oliver	141 Route 106	Carbondale	PA	18407	(570) 222-9343	
Wayne Reinhold	94 Orchard Road	Hummelstown	PA	17036	(717) 566-0927	John Vigilante
Grant Brown	2359 Oregon Pike	Lancaster	PA	17601	(717) 824-4336	Grant Brown
Stan Blinka	1966 Lincoln Highway	North Versailles	PA	15137	(412) 829-2226	Kyle Blinka
Javier Vento	Carretera #3 Km6.2	Carolina	PR	00987	(787) 701-0777	Miguel Torres
Javier Vento	Avenue De Diego #321	Puerto Nuevo, San Juan	PR	00921	(787) 706-0455	Orlando Rosado
	48 Burnt Church Road	Bluffton	SC	29910	(843) 815-4252	Dan Flaherty
Larry McClure	7347 Garners Ferry Road	Columbia	SC	29209	(803) 783-1940	Terry Mewhorter
Clay Wiggins	848 Edgefield Road	North Augusta	SC	29841	(803) 279-0753	Clay Wiggins
Tyler Henriksen	401 S. Highway 81	Arlington	SD	57212-0372	(605) 983-3900	Jackie Henriksen
Mike Hartel	1522 Eglin	Rapid City	SD	57703	(605) 341-7181	Lex Burgers

	Street						
Tyler-Henriksen	2900 W 12th Street	Sioux Falls	SD	57104	(605) 274-3363	Casey Crabtree	
Kim-Hancock	2924 I Miners Avenue 815 51st Street East	Saskatoon	SK	S7K 4Z0X7	(306) 931-9903	Colin Knutson	
Rick Horne	4625 Shallowford Road 8200 U.S. Highway 64	Chattanooga Bartlett	TN	37414 38133	(423) 901-8993 371-57170137	Eddie Moltz	
Ken Arledge	9290 Kinston Pike	Knoxville	TN	37922	(865) 357-4222	Kirk Hudd	
Mike-Thompson	1849 Industrial Boulevard	Abilene	TX	79602	(325) 692-4441	Mike Thompson	
	No location yet	Amarillo	TX	79109	(806) 681-2269	Michael Graham	
Joe-Kingsbury	6008 College Street	Beaumont	TX	77707	(409) 860-4200	Joe Kingsbury	
Mike & Jo-Anne Keith	No location yet 3720 North Frazier	Grand Prairie Conroe	TX	75050 77303	(214) 936-7697 788-71702160	Doug Roberts	
Jeff Washburn	201 E Central-Texas-Expressway	Harker Heights	TX	76548	(254) 680-8081		
Brian-Downe	4251 FM 2181	Corinth	TX	76210	(940) 783321-6580 0765	Brian Downe	
JD Jones	4903 Ambassador Row	Corpus Christi	TX	78416	(361) 854-5000	Jon Groves	
	2995 Preston Rd	Frisco	TX	75034	(214) 705-0504	Joshua Gaarz	
Joel Walker	4045 1003 W. University Ave	Georgetown	TX	78628	(512) 955863-2165 4007	Chris McDonald	
Rick Lopez, Juan Lopez, Sergio Lopez	3317 W Expressway 83	McAllen	TX	78503	(956) 688-6060	Rick Lopez	
John Chunn	210 N Custer Rd- Suite-140 Road	McKinney	TX	75071	(972) 542-1940	Joshua Gaarz	
Ann-Sharber	2927 Ridge Rd.	Rockwall	TX	75032	(214) 771-4100	Robert Sharber	
Bryce Myrick	2901 Sherwood-Way	San Angelo	TX	76901	(325) 942-6610		
George-Miksovsky	1847 Troup Hwy in Green Acres Shopping Center	Tyler	TX	75701	(903) 509-3240	George Miksovsky	
Galvin-Simpson	5210 John Stockbauer	Victoria	TX	77904	(361) 572-9699	Calvin Simpson	
Toby Grace	1001 Scott Ave	Wichita Falls	TX	76301	(940) 500-4323	Toby Grace	
	1433 N Main St	Logan	UT	84341	(435) 213-9539	Joe Anderson	
John Chunn	2995 Preston-Rd-675 E 2100 S	Frisco Salt Lake City	TX UT	75034 84106	(972) 801-7054 433-05042395	Scott Corbridge	
Scott Corbridge	786 S. 950 W	Woods Cross	UT	84087-2078	(801) 295-4694	Scott Corbridge	
Bill Hetzel	418 Trade St.	Danville	VA	24541	(434) 799-4043	Bill Hetzel	
Danny Showalter	1702 Jefferson Highway	Fishersville	VA	22939	(540) 941-1025	David Corell	
Phillip Maas	10311 W Broad St	Glen Allen	VA	23060	(804) 747-1800	Phil Maas	
	1645 Reservoir St Ste 160	Harrisonburg	VA	22801	(540) 941-1025	Danny Showalter	
	6432 Trading Square	Haymarket	VA	20169	(703) 690-3399	Anthony Barbour	
Richard Myers	7952 Angleton Court	Lorton	VA	22079	(703) 339-0707	Richard Myers	

Mike Lewis	5568 Sabre Road	Norfolk	VA	23502	(757) 461-3722	Josh Lewis
Tom Perry	15422 Pouncey- Tract Road	Rockville	VA	23146	(804) 749-3423	
Larry Flores	3132 West Main Street	Salem	VA	24153	(540) 380-4866	Aaron Fernandez
	2508 S Pleasant Valley Road	Winchester	VA	22601	(540) 662-9300	Rod Gunden
Anthony-Barbour	5121 Hoadly Road	Woodbridge	VA	22195	(703) 690-3399	Mike Edwards
Babe Keith	71 River Street	Rutland	VT	05701-3935	(802) 786-9075	Babe Keith
Fred-Spencer	1298 South Brownell Road	Williston	VT	549505495	(802) 658-9110	Craig Cote
Tom Allen	727 134 Street Southwest	Everett	WA	98204	(425) 734743-7677	Stevie Schmidt
Tom Allen	500 SW Grady Way Suite G	Renton	WA	98057	(425) 226-6788	Ken Nelson
Rick Honnold	5417 E. Trent	Spokane	WA	99212	(509) 534-0676	
Jeff Daines	4740 West Packard Street	Appleton	WI	54913	(920) 739-0852	Jeff Daines
	6503 S 27th St.	Franklin	WI	53132	(414) 982-1760	Dan Keyes
Tom Brown	2105 Parview Road	Middleton	WI	53562-8425	(608) 836-8500	Tom Brown
Dan Keyes & Bill Gehl	960 W. Armour Ave.	Milwaukee	WI	53224	(262) 781-7518	
Dan Keyes & Bill Gehl	4560 N. 124th St.	Wauwatosa	WI	53225	(414) 481-1890	Dan Keyes
Bob-DeSmedt	426 John Avenue	Superior	WI	54880	(715) 392-3710	Bob DeSmedt
Ronnie Farmer	35 Washington Avenue	Huntington	WV	25704	(304) 523-6344	
Mike Hartel & Hugh McIntyre	821 E 2nd	Casper	WY	82601	(307) 472-9200	Dan Hartel
	1659 Stillwater Avenue	Cheyenne	WY	82009	(307) 369-1387	Stephen Fotiades

(800) 639-

Interstate All Battery Centers Franchised Locations
Agreements signed but not Outlet Not Opened
As Of April 30, 2014

Dave	Walworth	1170 N Estrella Pkwy Suite A101	Goodyear	AZ	85338	(623) 925-2235
Billy	Kann (3)	1427 West Broadway Road	Mesa	AZ	85202	(480) 962-3800
Steve	Kovac	5230 North Nevada Ave Unit 130	Colorado Springs	CO	80918	(719) 528-7103
Larry	Judge	125 Holland Ave	Middletown	CT	6605	(203) 368-2300
Javier	Montalvan	8298 Bird Rd Suite 107	Hialeah	FL	33155	(305) 513-4228
Natalio	Ghitelman (2)	5419 N. University Dr. Unit 10	Lauderhill	FL	33351	(954) 748-7175
Chris	Bauer (10)	11655 Phillips Highway	Jacksonville	FL	32256	(904) 730-2221
Matt	Brown	3674 Leticia Ln	Tallahassee	FL	32312	(850) 509-9113
Michael	Sawyer	1831 Blankenbaker Parkway Suite 300	Louisville	KY	40299	(502) 297-8600
Reynolds	Bromley	3154 College Dr Suite B	Baton Rouge	LA	70808	(225) 389-6649
Cathy	Almeida	3042 Ryan Street	Lake Charles	LA	70601	(337) 298-7094
Daniel	Schmitz (4)	139 Washington Street	Auburn	MA	01501	(508) 791-7904
Mike	St. Don	154 Faunce Corner Road	North Dartmouth	MA	02747	(508) 991-8019
Craig	LaCount	582 Prairie Center Dr	Eden Prairie	MN	55344	(952) 941-0141
Bob	DeSmedt	1661 Miller Trunk Highway	Duluth	MN	55811	(715) 392-3710
Lloyd	Samuelson	1312 Scout Dr.	Sartell	MN	56377	(320) 252-5442
Jeff	Smith (2)	8605 Concord Mills Boulevard	Concord	NC	28027	(704) 979-3430
Steve	Rands	1533 W Sunset Rd.	Henderson	NV	89014	(702) 228-2225
Keith	Terryberry	7808 Transit Road	Amherst	NY	14221	(716) 632-8900
Jason	Wooldridge (4)	994 W. 5th Avenue	Columbus	OH	43212	(614) 389-2061
Dennis	Fernald (2)	1225 NE 48th Ave	Hillsboro	OR	97124	(503) 693-1033
Jim	Paul	9710 SE Washington St	Portland	OR	97216	(503) 258 - 8888
Carlton	Bruner	48 Burnt Church Road	Bluffton	SC	29910	(843) 815-4252
Ashley	Wyatt	9290 Kinston Pike	Knoxville	TN	37922	(865) 357-4222
Joel	Walker (2)	1003 W. University Ave.	Georgetown	TX	78628	(512) 863-4007
Michael	Graham	5825 Andover Dr.	Amarillo	TX	79109	(806) 681-2269
Kenton	Anderson	1433 N Main St Suite 120	Logan	UT	84341	(435) 213-9539
Scott	Corbridge (2)	675 E 2100 S Ste G	Salt Lake City	UT	84106	(801) 433-2395
Bill	Hetzel	418 Trade St.	Danville	VA	24541	(434) 799-4043
Anthony	Barbour (3)	6432 Trading Square	Haymarket	VA	20169	(571) 298-3238
Dan	Keyes/Gehl (2)	6503 S 27th St.	Franklin	WI	53132	(414) 982-1760

EXHIBIT K
FINANCIAL STATEMENTS

EXHIBIT L
GENERAL RELEASE

GENERAL RELEASE

This General Release ("Release") is executed as of _____, 20__ by _____ ("Franchisee") and by _____ and _____ (collectively "Guarantors").

A. Interstate Battery Franchising & Development, Inc. ("Franchisor") and Franchisee are parties to a Franchise Agreement dated _____ (the "Franchise Agreement"). Guarantors have executed a Guarantee and Assumption of Franchisee's Obligations under the Franchise Agreement in favor of Franchisor (the "Guarantee").

B. Under the Franchise Agreement, Franchisee and Guarantors are required to execute a general release as a condition precedent to Franchisee's [transfer of the Franchise Agreement / renewal of the license granted under the Franchise Agreement].

C. Franchisee wishes to [transfer / renew the license granted under] the Franchise Agreement [to _____].

NOW, THEREFORE, for good and valuable consideration, including the exchange of mutual promises in the Franchise Agreement, the receipt and sufficiency of which are hereby acknowledged, Franchisee and Guarantors agree as follows:

1. Release by Franchisee. Franchisee and Guarantors, for themselves and their respective agents, representatives, predecessors, successors, heirs and assigns, and all other persons acting on their behalf or claiming under any or all of them (collectively, the "**Franchisee Releasors**"), hereby release and forever discharge Franchisor, its past and present officers, directors, shareholders, members, parent corporations, subsidiaries, affiliates, agents, employees, attorneys, insurers, representatives, predecessors, successors, and assigns, and each of them, from any and all claims, debts, liabilities, demands, rights, obligations, judgments, costs, expenses, duties, covenants, agreements, suits, actions, and causes of action, of whatever nature, known or unknown, suspected or unsuspected, vested or contingent, liquidated or unliquidated (collectively, "**Claims**") that the Franchisee Releasors, or any of them, ever had, now have, or may in the future have, arising out of or relating to the Franchise Agreement and/or any act, omission or event occurring on or before the date of this Release, it being the express intention that this Release be as broad as permitted by law. This Release does not affect Franchisee's obligations under the Franchise Agreement or Guarantors' obligations under the Guarantee, and those obligations remain in full force and effect.

2. Risk of changed facts. Franchisee and Guarantors understand that the facts in respect of which the release in Section 1 above is given may turn out to be different from the facts now known or believed by them to be true. Franchisee and Guarantors hereby accept and assume the risk of the facts turning out to be different and agree that their release shall nevertheless be effective in all respects and not subject to termination or rescission by virtue of any such difference in facts.

3. No prior assignment. Franchisee and Guarantors represent and warrant that they are the sole owners of all Claims released under Section 1 above and that they have not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim released under Section 1 above.

4. Covenant not to sue. Franchisee and Guarantors (on behalf of the Franchisee Releasors) covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any person or entity released under Section 1 above with respect to any Claim released under Section 1 above.

5. Complete defense. Franchisee and Guarantors: (i) acknowledge that this Release shall be a complete defense to any Claim released under Section 1 above; and (ii) consent to the entry of a temporary or permanent injunction to prevent or end the assertion of any such Claim.

6. Representation by counsel. Franchisee and Guarantors have had the opportunity to be represented by counsel of their choice in this matter, including the negotiations that preceded the execution of the Franchise Agreement and the Guarantee.

7. Choice of law. This Release shall be governed by and interpreted and construed under the laws of the State of Texas, without reference to Texas conflict of laws principles.

8. Attorneys' fees and costs. In any proceeding in which a party seeks to enforce the provisions of this Release, the prevailing party will be entitled to recover all of its costs incurred in connection with the enforcement of this Release, including any appeals and including, but not limited to, reasonable attorneys' fees.

9. Authorization. The person who executes this Release on behalf of Franchisee represents and warrants that Franchisee has authorized that person to enter into this Release on behalf of Franchisee. Franchisee and Guarantors represent and warrant that they have the authority to enter into this Release on their own behalf and on behalf of the other persons and entities to be bound by their signatures.

10. Successors and assigns. This Release will inure to the benefit of the successors and assigns of Franchisor and will bind the successors, assigns, representatives and heirs of Franchisee and Guarantors.

IN WITNESS WHEREOF, Franchisee and Guarantors have executed this Release as of the date first above written.

FRANCHISEE

By: _____
[Print Name & Title]

ACKNOWLEDGMENT

State of _____)
) ss.
County of _____)

SUBSCRIBED AND SWORN TO BEFORE ME on this ____ day of _____, _____.

Notary Public

My commission expires: _____

[seal]

GUARANTOR

By: _____
[Print Name]

EXHIBIT M
TABLE OF CONTENTS OF MANUALS

Table of Contents

Section 1	The Interdependent Relationship	(8 pgs.)
Section 2	All Battery Center Core Story	(10 pgs.)
Section 3	P.O.S. Training X STORE	(45 pgs.)
Section 4	Watch Battery Installation	(16 pgs.)

Total pgs. = 79

Table of Contents

Section 1	Battery Basics	(25 pgs.)
Section 2	SLI Batteries	(29 pgs.)
Section 3	ED18 Diagnostic Tool	(10 pgs.)
Section 4	NiCad Chemistry	(13 pgs.)
Section 5	NiMH Chemistry	(13 pgs.)
Section 6	Lithium Ion Chemistry	(12 pgs.)
Section 7	Custom Assembly	(21 pgs.)
Section 8	CADEX Quick Reference Guide	(4 pgs.)

Total pages = 127

Table of Contents

Section 1	OSHA	(22 pgs.)
Section 2	Marketing an Interstate All Battery Center	(57 pgs.)
Section 3	Powercare Motive Division	(13 pgs.)
Section 4	Human Resources	(85 pgs.)
Section 5	Interstate Intranet Tools	(11 pgs.)
Section 6	NEEDS Based Selling	(43 pgs.)
Section 7	Store Operations Forms	(50 pgs.)
Section 8	Recycling	(18 pgs.)

Total pages = 299

Table of Contents

Section 1	B2B Sales Program	(79 pgs.)
Section 2	Selling the All Battery Center Way	(46 pgs.)

Total pages = 125

Table of Contents

Section 1	Sales Floor Training	(52 pgs.)
Section 2	Sales Associate's Handbook	(33 pgs.)

Total pages = 85

EXHIBIT N
FORM OF FRANCHISE CLOSING QUESTIONNAIRE

Franchise Closing Questionnaire

As you know, [IBSAIBFAD](#) (“we” or “us”) and you are preparing to enter into a Franchise Agreement for the operation of [an](#) All Battery Center Store franchise. The purposes of this Questionnaire are to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate, or misleading, to be certain that you have been properly represented in this transaction, and to be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law. You cannot sign or date this Questionnaire the same day as the Receipt for the Franchise Disclosure Document, but you must sign and date it the same day you sign the Franchise Agreement and pay your franchise fee.

Please review each of the following questions carefully and provide honest responses to each question.

- Yes ___ No ___ 1. Have you received and personally reviewed the Franchise Agreement and each exhibit or schedule attached to it?
- Yes ___ No ___ 2. Have you received and personally reviewed the Franchise Disclosure Document we provided?
- Yes ___ No ___ 3. Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?
- Yes ___ No ___ 4. Did you have possession of the Franchise Disclosure Document at least 14 calendar days before you paid us any money related to the purchase of this franchise?
- Yes ___ No ___ 5. Do you understand all the information contained in the Franchise Disclosure Document and Franchise Agreement?
- Yes ___ No ___ 6. A) Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant, or other professional advisor? If No, do you wish to have more time to do so? Yes No
- Yes ___ No ___ B) Have you discussed the benefits and risks of operating an All Battery Center Store franchise with your professional advisor?
- Yes ___ No ___ C) Did you discuss the benefits and risks of operating an All Battery Center Store franchise with an existing All Battery Center Store franchisee?
- Yes ___ No ___ 7. Do you understand the risks of operating an All Battery Center franchise?
- Yes ___ No ___ 8. Do you understand the success or failure of your franchise will depend in large part upon your skills, abilities, and efforts and those of the person you employ, as well as many factors beyond your control such as weather, competition, interest rates, the economy, inflation, labor and supply costs, lease terms, and the marketplace?
- Yes ___ No ___ 9. Do you understand that you will receive no territorial protection (except as otherwise provided in a mutually agreed upon Addendum to the Development Agreement and/or Franchise Agreement) and that we and our affiliates may engage in businesses that compete with your Store(s)?
- Yes ___ No ___ 10. Do you understand we are not obligated to provide assistance to you in finding and securing a location for your All Battery Center Store?
- Yes ___ No ___ 11. Do you understand that we are not responsible for any construction delays?

- Yes ___ No ___ 12. Do you understand that you must have and provide us a valid e-mail address at all times during the term of the Franchise Agreement and that you must notify us of any changes to the e-mail address?
- Yes ___ No ___ 13. A) Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be brought in arbitration in the city where our principal business office is located at the time, if not resolved informally or by mediation?
- Yes ___ No ___ B) Do you understand the Franchise Agreement provides you can only collect compensatory damages on any claim under or relating to the Franchise Agreement, and not any punitive, exemplary, incidental, indirect, special, consequential, or other damages (including, without limitation, loss of profits)?
- Yes ___ No ___ 14. Do you understand that your Operating Principal, Store Manager, and B2B Sales Rep must successfully complete the training program prior to the Opening Date; and that if he or she fails, in our sole judgment, to satisfactorily complete our training program, and you fail to cure such default within 90 days following written notice from us, we may terminate the Franchise Agreement?
- Yes ___ No ___ 15. Do you understand we do not have to sell you a franchise or additional franchises or consent to your purchase of existing franchises?
- Yes ___ No ___ 16. Has any employee or other person speaking on our behalf made any statement, promise, or agreement, other than those matters addressed in our Franchise Agreement, concerning advertising, marketing, media support, marketing penetration, training, support services, or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document? If Yes, please provide a full explanation on the back of this questionnaire.
- Yes ___ No ___ 17. A) Do you understand that the U.S. Government has enacted anti-terrorist legislation that prevents us from carrying on business with any suspected terrorist or anyone associated directly or indirectly with terrorist activities?
- Yes ___ No ___ B) Have you ever been a suspected terrorist or associated directly or indirectly with terrorist activities?
- Yes ___ No ___ C) Do you understand that we will not approve your purchase of an All Battery Center Store franchise if you are a suspected terrorist or associated directly or indirectly with terrorist activity?
- Yes ___ No ___ D) Is it true that you are not purchasing an All Battery Center Store franchise with the intent or purpose of violating any anti-terrorism law or for obtaining money to be contributed to a terrorist organization?
- Yes ___ No ___ 18. Is it true no employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating an All Battery Center Store franchise that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
- Yes ___ No ___ 19. Has any employee or other person speaking on our behalf made any statement or promise regarding the actual, average, or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue an All Battery Center Store will generate, that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise

Disclosure Document? If Yes, please provide a full explanation on the back of this questionnaire.

Yes ____ No ____

20. Do you understand that the Franchise Agreement contains the entire agreement between us and you concerning the franchise for the Store, meaning any prior oral or written statements not set out in the Franchise Agreement will not be binding?

I certify that each of the above responses is true and correct.

FRANCHISEE

By: _____
[Print Name & Title]

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Interstate Battery Franchising & Development, Inc. offers you a franchise, Interstate Battery Franchising & Development, Inc. must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement or make any payment to us or an affiliate in connection with the proposed franchise sale or grant. Under Michigan ~~and Wisconsin~~ law, Interstate Battery Franchising & Development, Inc. must provide this Disclosure Document to you at least 10 business days before you sign any contract or make any payment relating to the franchise relationship. Under New York, Oklahoma and Rhode Island law, Interstate Battery Franchising & Development, Inc. must provide this Disclosure Document to you at the earliest of the first personal meeting or 10 business days before you sign a contract or make any payment relating to the franchise relationship.

If Interstate Battery Franchising & Development, Inc. 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 appropriate state agency listed in Exhibit A. IBFAD’s agent for service of process in this state is listed in Exhibit B.

The franchise sellers are: ~~Jim Eades, 12770 Merit Drive, Suite 400, Dallas, TX 75251;~~ Paul McCarthy, 12770 Merit Drive, Suite 400, Dallas, TX 75251; and Kevin Hogan, Liberty Development, 7935 B Wright Road, Houston, TX 77041.

Date of Issuance: July ~~3, 2013~~, 2014

I have received an Interstate All Battery Center Disclosure Document dated July ~~3, 2013~~, 2014. This Disclosure Document included the following exhibits:

- | | |
|------------------------------------------------------------------|--------------------------------------------|
| A. State Administrators | G. Credit and Security Agreement |
| B. Agents for Service of Process | H. Confidentiality Agreement |
| C. Franchise Agreement and State-Required Amendments | I. Additional State-Required Information |
| D. Branch Addendum | J. List of Franchisees |
| E. Store System/Technology Agreement and Participation Agreement | K. Financial Statements |
| F. Addendum to Confidential Distributor Agreement | L. General Release |
| | M. Table of Contents of Manuals |
| | N. Form of Franchise Closing Questionnaire |

Date Disclosure Document Received

Date Disclosure Document Received

Print Name

Print Name

Signature

Signature

Address

Address

City State Zip Code

City State Zip Code

Area Code Phone Number

Area Code Phone Number

TO BE RETAINED BY YOU

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Date Disclosure Document Received

Date Disclosure Document Received

Print Name

Print Name

Signature

Signature

Address

Address

City State Zip Code

City State Zip Code

Area Code Phone Number

Area Code Phone Number

TO BE RETURNED TO IBFAD

Document comparison by Workshare Compare on Wednesday, July 02, 2014
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Deletion	
Moved from	
Moved to	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

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